

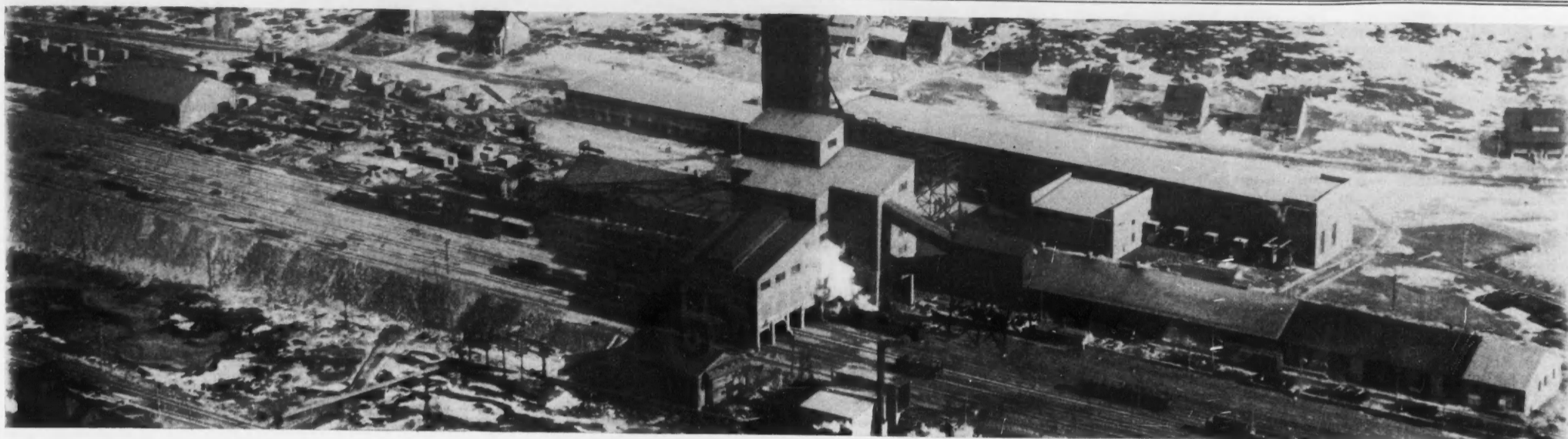
SATURDAY NIGHT

FINANCIAL SECTION

Safety for
the Investor

TORONTO, CANADA, OCTOBER 4, 1930

P. M. Richards,
Financial Editor



THE FROOD MINE — INCO'S TREASURE CHEST

Great stores of copper, nickel, gold, silver and platinum contained in mine which is one of the wonders of the mining world — Growth of International Nickel featured by fortunate finds and intelligent research—Daring expansion plans meet with success.

INT. NICKEL — PAST AND PRESENT

The Romantic Story of Canada's Largest Mining and Smelting Organization—Occurrence of Nickel Linked Up With Origin of Earth—How Canada is Favored

By Thos. W. Gibson
Deputy Minister of Mines of Ontario

THERE was romance in the Frood Mine from the beginning. It was discovered by Tom Frood in 1884 and was originally known as No. 3, the numerical nomenclature later giving way to the name "Frood" after the discoverer. Having heard from a trapper that there was a showing of mineral in the northern part of the Township of McKim, he and another prospector named A. J. Cockburn set out in May, 1884, to locate it. They found a vein of pyrites crossing from lot 7 to lot 6, in the 6th concession. The prospectors quarreled but finally settled the dispute by allowing lot 6 to Cockburn and lot 7 to Frood.

Hence arose the division of the deposit between the International Nickel Company and the Mond Nickel Company, the former succeeding to Cockburn's rights and the latter to Frood's. The deposit was early recognized as a large one, but the surface indications were not particularly inviting, Coleman stating the ore to be "irregular and greatly mixed with rock matter".

Nothing was done with the mine until 1899; between 1900 and 1903, 110,545 tons of ore were raised, and it relapsed into quiescence until 1914. The International Nickel Company had been depending upon the Creighton mine for the bulk of their ore supply, but became apprehensive that the ore in that mine was being bottomed. Consequently extensive preparations were made for a large production from the Frood.

A town site was laid out, a water system installed, and numerous dwellings erected for the workmen and officials. Meanwhile drilling operations were going on at the Creighton, the result of which was to show the mine to contain supplies of ore sufficient for many years to come. Work on the Frood was stopped, the houses moved away, and once more quiet reigned.

To build up the ore reserves is the breath of life for a mining company, and in 1925 drills were again set up on the Frood, which, as the work proceeded, revealed the huge masses of rich copper ore, that has made this mine one of the wonders of the mining world. The two companies pooled their interests and were amalgamated under the name of the International Nickel Company.

The existing plants of the two companies were quite inadequate to handle an output of 8,000 to 10,000 tons of ore per day, as was planned, and thirty million of dollars has been expended in providing new smelters, concentrators, chemical works, and a copper refinery, to meet the requirements of the new situation.

Things are not always what they seem, and it surely savours of the romantic to have witnessed the rocky low grade ore of the Frood outcrop give way to the riches of copper, nickel, gold, silver, and platinum group of metals which the lower levels have disclosed.

There are romantic features associated with the first discovery of nickel in the Sudbury field. Geologist Barlow relates that in a search for a man who had lost himself in the woods the wanderer was found seated on a small hill and that Dr. Howey of Sudbury, one of the searchers, seeing pyrrhotite and copper in the rock took samples and showed them to Dr. Selwyn, Director of the Geological Survey, then in the neighbourhood. The doctor pronounced them valueless.

Later in constructing the Canadian Pacific railway the right of way ran through this hill and exposed a bed of copper nickel ore. On Dr. Howey's hill, pronounced of no value, was developed the famous Murray mine, first worked by the Vivians of Swansea, and subsequently passing under the control of the British Government who desired an independent source of nickel for purposes of the great war.

The Royal Ontario Nickel Commission's report, however, attributes this discovery, made about the end of 1883, to John Flanagan, a blacksmith working on the construction gang, whose curiosity was aroused by the appearance of "red mud" on a road alongside the right of way, the red colour being due to the underlying "gossan". A little digging by Flanagan disclosed solid copper ore beneath. If the doctor was the first locator of the deposit, the blacksmith seems the first to have sensed its value.

It is a fact that nickel is one of the commonest and

most widely distributed elements, but in comparatively few places does it occur in workable proportions. The greatest known deposit is in the Sudbury area; others are found on the islands of the South Pacific ocean, notably in New Caledonia, Celebes, Seboekoe, and others; also in the island of Cuba. There is a little nickel in Norway and in Greece. The nickel of Sudbury and Norway is associated with pyrrhotite and chalcopyrite, while the ores of the other places mentioned are mainly silicates of lateritic or residual origin.

The occurrence of nickel itself is linked up in a remarkable and interesting way with the origin of the earth. It was once the custom to explain the birth of the earth by the nebular theory propounded by Laplace, the great French astronomer. According to Laplace the world, with all other members of the solar system, was once part of a vast cloud of very hot gas, which extended throughout an area around the sun to the distance of the remotest members of the system. This cloud of glowing gas revolved around its centre and slowly condensed, gradually losing its heat and contracting in size. In this process it threw off successive rings which in turn condensed, assumed a globular form, and lost much of their heat. One of these rings became our own earth.

Some modern geologists have urged formidable objections to the Laplace theory and some have openly discredited it. They propose instead a meteoritic origin, modified by others into the so-called "planetesimal" theory. The meteoritic hypothesis substitutes for a thin haze of light an immense swarm of meteorites, commonly called "shooting stars". In certain parts of space these swarms are densely crowded together, the central parts of the swarm would be intensely heated by contraction, and the separate meteors in a swarm would gradually collect into a smaller space and then become closely packed together and finally welded into one compact mass and form a star. Thus arose our earth, glowing with heat and subsequently cooling throughout the long geological ages and taking on its present conditions.

The meteoritic theory has great interest for us, because of the composition of the meteorites, or "shooting stars" as they are commonly called. They are of two kinds, the stone variety, containing many of the elements that are common in the earth's crust; the other, metallic in character, consisting of an alloy of iron and nickel. Some meteors are partly metallic and partly stony. Collections are found in museums, the British museum containing a large and notable one. It comprises iron-nickel meteorites, weighing in all 11,873 lbs., while the stony meteorites, though large in number, aggregate only 865 lbs. Even for accuracy sake, confining comparison to those specimens actually having been seen to fall to the earth, there is a decided preponderance of the metallic kind. From this it is argued that such material is the more plentiful in space.

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THOUGH things are quiet everywhere else, Chicago's business is still holding up.

SOMEbody said the other day that the market is fulfilling its traditional function of forecasting conditions in business and industry. Though he meant well, it's not a cheering thought, with the market acting the way it is. We want a more definite trend (upward, of course) in future business and industry than the current market is showing.

INCIDENTALLY, the statement referred to above, made by a well-known Canadian brokerage house, illustrates the difficulties of commentators on the current market. Market letter writers scarcely have time to make their diagnoses and get their effusions into print before the market is off on a contrary track. It's a hard life, just now, for market experts. The signs that used to make pretty clear reading are all mixed up.

THE old rule to sell when stocks are away up and buy after a big decline will never be improved upon, says a New York brokerage letter, but the trouble is we see a different picture each time and interpret it to our own way of thinking. The market certainly has had a big decline, and it would seem as though stocks bought at present levels ought to prove profitable before very long.

THE last fortnight or so has seen the sharpest reversal in public sentiment since the market started its backing and filling tactics almost a year ago. People had been expecting, with some confidence, that the arrival of Fall weather would bring an immediate upturn in business and they have been rudely disappointed by the meagreness of the improvement shown. Combined with this is fear of the effect on the market of publication of U.S. corporation earnings figures covering the third quarter of 1930, which it is feared may prove the least favorable of the year so far. The resulting pessimism has produced a further weakening of market prices, and there is evident a general disposition to regard the present price levels of common stocks as being too insecure to make purchasing advisable at present.

ANOTHER factor making for public distrust of the market is the resumption of the downcourse of commodity prices, in particular those of wheat, rubber and copper. It had been hoped, with some confidence, that effective resistance levels had been established for all three. Nevertheless, in regard to wheat, the fact that this all-important Canadian commodity has recently been moving to market at a rate considerably faster even than normal gives ground for some optimism. The West produced this year a crop of fair size and good quality, and the sale of a part of it at even the low prices currently prevailing means the circulation of much badly needed cash in prairie communities.

However, in view of the improvement in the world statistical position, together with the drastic reduction in the American corn crop which necessitates the use of more wheat, there are good prospects for an important improvement in wheat prices.

ALTHOUGH the stock market is so weak and the present state of the public mind suggests the possibility of a further recession rather than a sustained upswing in the near future, it is quite likely that a year from now many of us will be looking back and wondering why we did not have enough sense to buy stocks when stocks were obviously favorably priced for buying. In spite of all the business hesitancy around us, the fact remains that business is improving, even though slowly, and that there is a sound basis for believing that we are already past the worst of the depression.

An Idea That Brought Business!

THERE are plenty of optimists who can always see the silver lining in any cloud. But it takes something more than optimism to smelt the cloud and turn the silver into actual hard dollars.

It takes vision, initiative, a belief in the soundness of this country and its people. It also means the willingness to spend plenty of hard work and money in going after business. It is no small achievement to actually capitalize depression—to make "bad times" yield "good times" results.

And that is exactly what Gypsum, Lime and Alabastine, Canada, Ltd. has succeeded in doing. Making no bones about the existence of unemployment, this company, which manufactures some 45 different building materials, inaugurated an extensive advertising campaign which announced: "We are looking for 50,000 jobs for men who need them."

The response was immediate and enormous. Largely this was because the series of advertisements contained specific and valuable suggestions. The copy pointed out that now was the time to undertake that projected, but possibly postponed building operation because building costs were lower than for many years.

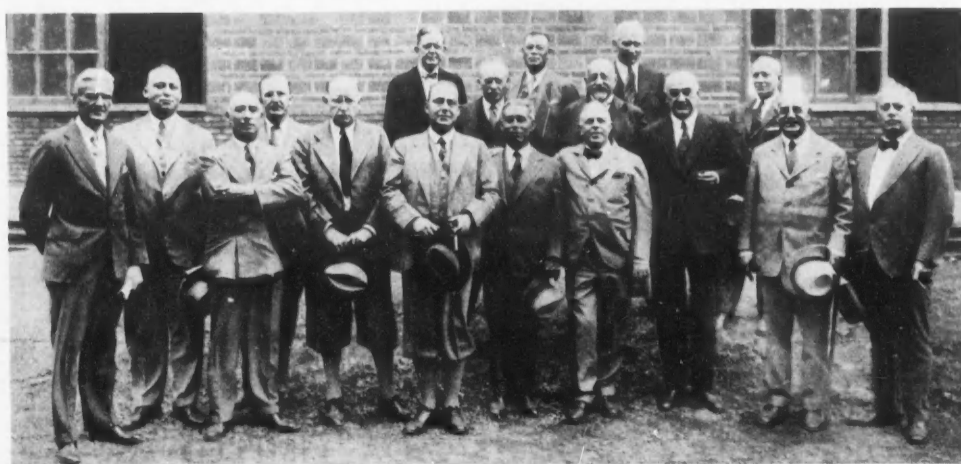
Householders and farmer were urged to undertake those odds and ends of construction jobs such as building a sun porch, turning a basement room into a playroom or workshop, adding an extra bath room, for the average home owner; fixing the barn or dairy for the farmer; doing plaster repairs, fitting partitions or show-windows for business men. How the company's products could be used in all connections was set forth in each instance.

With the campaign still running, inquiries to date are four times as many as the company has ever received, at any time, on any similar drive and under any conditions—even the best of "good times". The results have naturally been increased sales, as well as providing much work for men who were badly in need of it.

In addition, the company is working for more business by expanding its field. It is spending more money on research. It has developed three new products, none of which has ever been produced in Canada before, and which will be put on the market almost immediately.

In short, it refuses to sit back and wait for hard times to pass. It is going after business today harder than ever before—and getting it. Gypsum, Lime and Alabastine backed a sound idea up with sound, hard work—and what this company has done, other Canadian industries can do, and many are doing.

"Depression or no depression" says President R. E. Haire, "our sales in the East have not dropped this year as compared with last, and in some sections, they are actually higher."



INTERNATIONAL NICKEL DIRECTORS VISIT COPPER CLIFF PLANTS

Left to right—J. W. McConnell, Montreal; James A. Richardson, Winnipeg; The Rt. Hon. Lord Weir of Eastwood, P.C., Glasgow, Scotland; William J. Hutchinson, Englewood, N.J.; James L. Ashley, New York; Grant B. Shipley, Pittsburgh, Pa.; John L. Agnew, Copper Cliff; Britton Osler, K.C.; Toronto; Robert C. Stanley, New York; Thomas Morrison, Pittsburgh, Pa.; Charles Hayden, New York; Robert Mond, London, England; D. Owen Evans, London, England; Sir Harry McGowan, K.B.E., London, England; Reg. Halladay, Cresskill, N.J.; The Rt. Hon. Lord Melchett, P.C., F.R.S., D.S.C., London, England; John P. Bickell, Toronto.

Business Future Brightens

Action of Government is Outstanding Recent Event—
Unfavorable Factors Still Persist

IN its bearing on business and the general situation the emergent session of Parliament was the outstanding event of the month.

Alleviation of unemployment has been sought by two means—expenditure of money upon public works, and stimulation of manufacturing industries by the operation of a protective tariff. It is hoped that these measures will have a direct effect in giving work to many who are presently unemployed, and a psychological influence in diffusing confidence in commercial circles. The tariff revision touches key industries, iron and steel, textiles of cotton, wool and silk, leather, glass and others: it is frankly protective—more so, probably, than ever before—and will supply a practical test, says the Bank of Montreal, in its current Business Summary, of the advantages, or otherwise, of a protective tariff that protects.

The appropriation of \$20,000,000 to supply work to idle hands is to be supplemented by provincial and municipal expenditures to the same end, giving assurance that the problem of unemployment will be less acute during the coming winter than has been feared. The turning point in the downward path of trade may now be nearer at hand, but unfavourable factors persist that cannot be ignored. Chief of these is the low prices of commodities. The decline of these cannot yet with certainty be said to have ceased, and falling prices are the bane of business.

An encouraging factor is a growing confidence in better business ere long. Some large undertakings are under way, such as the Canadian National Railway terminal at Montreal, and extensive water power development in Quebec, Ontario and the Western Provinces. President Beatty has declared the intention of the Canadian Pacific Railway to proceed with a

building programme that ordinarily might be deferred for a year or two.

Greater industrial activity may reasonably be expected to follow upon the tariff revision, and the beneficial ramifications of industrial activity are wide. Foreign market conditions remain unfavourable to the export trade in farm products, minerals and manufactures, and until this condition alters, enlarged operations may be confined to domestic markets.

In some branches of retail trade customary autumn activity has occurred, and a considerable tourist influx during the last four weeks has helped business, but no pronounced improvement has taken place. The harvest is well advanced, and taking the country as a whole, average crops have been reaped.

The low price of grain, however, contracts the purchasing power of farmers and retards revival of trade, and the same may be said of livestock and dairy products. Shipments of live cattle to the British market are being made after a lapse of several years.

The lumber trade has not improved. The cut during the coming winter will be relatively small and give employment to fewer men. Loadings of lumber in the four weeks to September 6th were 5,000 cars less than in the same period last year, and since January 1st there has been a decrease of 32,734 cars in lumber loadings.

Foreign trade returns continue unfavourable. In August the total external commerce of Canada amounted to \$148,519,000, being a decrease of \$61,506,000 from the corresponding month last year, or 30%. The decline was \$33,724,000 in imports and \$26,974,000 in domestic exports.

A feature is the slight increase, \$706,000, in the value of agricultural foodstuffs exported, the first in many months, and brought about by a freer overseas movement of wheat, ship-



NEW CONNECTING LINK BETWEEN CANADA AND U.S.
Interior of the new Windsor, Ontario, Canada—Detroit, Mich., vehicular tunnel which will be opened in November. Construction of the tunnel has been one of the most remarkable engineering feats of recent years and it is expected that traffic across the international boundary will be greatly stimulated by its completion. A feature of the tunnel in connection with the service it provides between the two cities is that it links up directly the downtown centres of each. —Wide World Photo.

ments of which in August were 7,483,000 bushels greater than a year ago.

Car loadings do not yet reflect an improved condition of general trade, all commodity movements, with the sole exception of grain, continuing to run below those of last year. The exception is of some importance in its bearing on traffic earnings of transportation companies, these having been at a relatively low ebb for a year past, and now that wheat is moving to market, advantages to many interests are expected.

In the four weeks ending September 6th, car loadings of grain and products were 16,003 cars more than in the corresponding period last year. Total

loadings this year to September 6th were 252,733 cars less than last year. Railway gross earnings have felt the effect of diminished freight, those of the Canadian Pacific being down \$25,345,000, and those of the Canadian National \$25,797,000 on the eight months.

Current Quotations on Unlisted Stocks

(Supplied by A. J. Pattison Jr.
& Co., Ltd.)

	BID	ASK
Allens London Pfd.	45.00	45.00
Brandram Henderson Pfd. ..	79.00	
B.C. Packers Pfd.	53.00	56.00
Burns Pfd. Bonus 25% Com. ..		84.00
Canada Crushed Stone Pfd.	64.00	
Canada Machinery Pfd.	33.00	38.00
Canada Packers Com.	28.00	34.00
Canada Packers 7% Pfd.	98.50	101.00
Can. Wire & Cable Pfd.		101.50
Can. Industries Com. "B"	160.00	200.00
Can. Industries Pfd.	117.00	123.00
Canadian Westinghouse	88.00	91.00
Dominion Alloy Steel Pfd.	1.00	2.00
Dunlop Tire 7% Pfd.	101.00	
General Steel Wares Pfd.	77.00	
Goderich Elev. & Transit	15.50	18.00
Greening Wire 7% Pfd.	100.50	
Kingston Ship Bldg. Com.	45.00	50.00
Loew's Buffalo Pfd.	15.25	
Loew's London Com.	2.50	
Massey Harris Pfd.	75.50	
Mount Royal Hotel Script.	1.75	2.75
Mount Royal Hotel Com.	3.00	5.00
Mount Royal Hotel 6% Pfd.	38.00	42.00
National Grocers 2nd Pfd.	48.00	
Paramount Oshawa Com.	14.00	17.00
Rogers Majestic Radio	14.00	
Simpsons, Robt. 6% Pfd.	102.00	106.50
Supertest "B" Pfd.	15.00	18.00
United Amusement "A"	28.00	34.00
Willards Chocolates Pfd.	70.00	74.00

Int. Nickel— Past and Present

(Continued from Page 25)

The process of condensation that went on while the earth was taking shape may be compared to the action of a blast furnace, the metallic part of the charge being heavier sinks to the bottom (or centre) and the rock matter swims on the surface as slag. This "slag" on cooling became the original crust of the earth. It is comparatively thin, probably not more than 45 miles in thickness. Of what is the interior of the earth composed? It seems to be a vast hot sphere, largely composed of iron and nickel. In other words, nature has laid out within the earth a huge reservoir of nickel in comparison with which the potentialities of the Frood, Creighton, Levack, and the other mines of Sudbury sink into insignificance. If this theory be correct there is iron and nickel enough in the earth's interior to last mankind until doomsday if only it could be got at.

In legends and tales of old, swords of extraordinary strength and excellence figured largely. Some of these were Damascus blades, the workmanship of the smiths of that ancient city. It is related that a good blade of Damascus steel could be bent so as to fit into a measure equal in circumference to its own length. It is possible that some of these famous weapons may have been forged from iron-nickel meteorites.

There is still a more intimate connection between meteorites and Sudbury nickel. The story is told at length in the 14th report of the Ontario Bureau of Mines. About 1876 John Gamgee, inventor, and Samuel J. Ritchie, promoter, were in search of a metal or alloy, dense and tough enough to contain the gas generated from liquid ammonia, required to produce a temperature low enough to kill yellow fever germs in a hospital ship to be built by the United States Government. All attempts failed until Gamgee bethought himself of the iron-nickel meteorites he had seen in the Smithsonian museum, which were extremely close-grained and hard. Obtaining some nickel he and Ritchie made a large number of alloys of iron with varying percentages of nickel. One of these containing 8 per cent. of nickel gave them what they wanted, so hard that neither file nor cold chisel was affected, nor could Ritchie, who was a powerful man, by swinging a 10-pound sledge hammer "even mark the alloy not to talk about breaking it". The hospital ship scheme fell through but nickel remained in Ritchie's memory.

Some six years later Ritchie became interested in the building of a railway to develop the iron lands of Hastings county. The ores did not prove suitable and when Ritchie heard of the newly discovered copper ores at Sudbury he proceeded to get possession of a number of the deposits, and with some Ohio associates formed the Canadian Copper Company to operate them. A shipment of the ore was made to a smelting works in New Jersey. It proved refractory in the smelter and a search for the source of the trouble showed it to be the presence of nickel, so called by the old German miners after "Old Nick" the author of all evil.

This was a totally unexpected development, for no one had hitherto suspected the presence of nickel in the ore, and entirely changed the situation, for Ritchie and his associates had now a nickel mine, or rather a mine containing nickel and copper instead of copper only. Nickel commanded a much higher price than copper and Ritchie felt himself to be in clover. The question, however, was what to do with it since the world's consumption at that time was very small, about 1,000 tons annually. The classical experiments of James R. of Glasgow, published in 1889, corroborated Ritchie's Washington experience of a few years before and supplied systematic and scientific proof of the value and importance of nickel steel.

The great steel and armament makers of England and Europe quickly realized the importance of the new nickel deposits and were eager to take advantage of them. All the nickel had hitherto come from New Caledonia, and there was at the time a complete dearth of the metal. Sir John A. Macdonald and Sir Charles Tupper joined in halting the impetus which Canadian nickel was capable of imparting to Canadian prosperity. The latter foresaw the manufacture of nickel steel in Canada from Canadian iron and Canadian nickel, a vision which has not yet been fulfilled.

Experiments showed conclusively that surface-hardened nickel-steel armour plate was by far the best covering for battle ships. The United States Government gave an order for large supplies of nickel for this purpose, and so the nickel industry of Ontario was away to a good start. In its earliest years it had its trials and tribulations, but its present position is well known, and I need not pursue it further.

The V-type 8-cylinder CADILLAC

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Coming Soon CADILLAC V-12

After a year of demonstration, side by side with the V-16, Cadillac will shortly announce the new V-type 12, a super-fine car of 140-143 inch wheelbase which will round out the Cadillac line into complete coverage of the fine car field.

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THE Cadillac "355" carries familiar Cadillac principles of construction to new heights of perfection. Slightly smaller and lower-priced than its companion car, the magnificent "353", it is fleet and flexible—the most spirited of all Cadillacs.

Here, too, is new vigor in styling, new smartness of line. The general effect is of low-lying trimness and graceful symmetry. Windshield posts rake smartly, in a pleasing curve that leads off from a distinctive double moulding treatment at the belt. A chromium-plated radiator screen, similar to those used on the V-16 and "353" models, combines with a new window treatment and a new fender design to set this Cadillac apart in its style.

Powered with substantially the same motor as the "353"—the largest displacement V-type eight-cylinder engine ever built by Cadillac—the new "355" is truly remarkable for power and acceleration. Like the "353", too, it is equipped with a new intake muffler that results in exceptionally smooth and refreshingly quiet performance however fast the pace.

With the "355", the "353" and the superb Cadillac V-16, Cadillac provides a comprehensive choice of models and wheelbases. The new prices, ranging from \$3,520 at the factory, (taxes extra) and the GMAC plan of deferred payments, place Cadillac within the reach of all who appreciate established leadership.

The LaSALLE V-type 8

Cadillac's companion car, the new V-type 8 LaSalle, is now priced from \$3,030 at the factory, taxes extra. Models of the powerful LaSalle as well as the refined Cadillac "353" are to be seen at dealers' showrooms.



GENERAL MOTORS PRODUCTS OF CANADA, LIMITED
OSHAWA, ONT.

Brazil Faces The Inevitable

Temporary Successes of Past Valorization of Coffee Has Now Apparently Created an Unmanageable Situation

A \$97,330,000 lollipop has been recently passed over to the largest overproducing coffee state of Brazil, Sao Paulo, by a world-wide banking syndicate. On July 1, Sao Paulo Coffee Institute, an \$8,000,000 per-year publicity agent, retired to a nearby corner to lick its personal and its country's financial wounds.

Over a working period of 5½ years, the Sao Paulo propaganda agent received in the neighborhood of \$50,000,000 from coffee planters of both the State of Sao Paulo and the neighboring state of Minas Geraes in the form of a general transportation tax of one gold milreis (55 cents) on each 132-pound bag of coffee shipped from the interior for export. In addition to this, prior to the recent "realization" loan, the Coffee Institute had borrowed \$103,000,000 on the credit of the State of Sao Paulo, the richest State of Brazil.

This borrowing was necessary because no one in the coffee trade desired to carry coffee in stock, except for immediate needs. The Institute preferred that there should be no large stocks in the hands of the trade, fearing they might prove a source of weakness to the market. This policy threw the entire burden of carrying the crop on the Institute's shoulders, and forced it to borrow money. Yet with all this assistance, coffee is touching the lowest levels since July, 1921, and prices are practically half as high as a year ago.

Looking back, says Barron's, New York, one may view the steps which have led up to the present unmanageable surplus. The industry in Brazil, and more particularly in the State of Sao Paulo, which in the past year produced 54.4 per cent. of the world's crop, developed at a slow rate until about 1835. Dating from that year, cultivation began on an extensive scale, resulting in good harvests about seven years later.

For a period of 35 years, from 1880-81 to 1914-15, the world's production of coffee, exclusive of Brazil, averaged between 4,000,000 and 4,500,000 bags annually. Brazilian production, however, during this period increased from an average of approximately 5,500,000 bags to 13,000,000 bags per annum. While the world consumption increased, it did so fairly steadily as against fluctuating and high increases in production, the result being occasional periods of oversupply. Thus, during the 1896-97 crop year, when consumption rose from 11,000,000 to 12,500,000 bags, production increased from 10,500,000 to close to 14,000,000 bags.

Production, not reacting to market conditions, reached 15,070,000 bags in 1900-01, 19,790,000 the following year and 23,786,000 in the 1906-07 crop year. Production, therefore, nearly doubled in a period of 10 years. This condition of over-production with falling prices caused the government of the State of Sao Paulo to initiate the first valorization operations. Valorization is generally understood to mean the giving by law of a fictitious or artificial value above or apart from the normal or ordinary market value.

In view of the success of the valorization operations of 1906, 1917, and 1921, the federal government in 1922

authorized the creation of the Institute for the Permanent Defense of Coffee, which was to be a federal institution, having a capital of approximately \$39,000,000.

The Federal Institute's functions were to be as follows: To lend money at low interest rates to the growers, the collateral to be coffee deposited in official warehouses; to purchase coffee and withhold it from the market when necessary; and to disseminate propaganda to increase coffee consumption, the cost of this propaganda being paid by an extra tax of 200 reis (2.4 cents) per bag. The federal government supported the market by means of direct purchases in Santos and Rio de Janeiro during 1922 and up to June, 1923. When this support was suddenly withdrawn, prices declined 35 per cent. to 40 per cent., the March, 1924, Rio futures contract falling to 6.75 cents a pound in July, 1923.

Paper losses to the growers were so large that they protested vigorously, asking that the market be supported again and that action be taken to establish the Defense Institute, which had been provided for by the law of 1922. At the expense of the exchange rate, which, as illustrated in this graph, had declined perceptibly since 1920, and aided by a natural price reaction, the federal government was able to bring coffee prices back to a more normal figure, though by no means to the high level maintained before the break in June.

At the same time the Federal Minister of Finance called for suggestions as to the best working plan for the contemplated Defense Institute, and after much discussion, particularly in the State of Sao Paulo, that state passed law No. 2004 on Dec. 19, 1924, creating the Paulista Institute for the Permanent Defense of Coffee. Soon thereafter the newly-organized institute took over the federal regulatory warehouses and was vested with entire control of the machinery for coffee defense in that state. Purposes of the new state institute were essentially the same as those of the federal defense plan, which had preceded it. It was to regulate entries into Santos, to make loans to planters against coffee deposited in regulatory warehouses, to buy coffee in Santos when it was deemed necessary to support the market, and to organize a bureau of statistics and propaganda.

During 1925 several controversies arose over the actions of the Institute, although nothing of international note was sounded. Many interior planters objected to the severe restriction to the Sao Paulo port of Santos, as it often took them from eight months to a year or more to have their shipments pass through the regulatory warehouses and arrive in Santos, where they might be sold. Many of them were unable to hold their coffee for such a long period and were forced to liquidate their stocks to interior buyers at a great sacrifice. At the same time, the Institute was not in a sufficiently firm financial position to be of much assistance in the matter of making loans to farmers for the purpose of holding their crop. Some Santos exporters also complained because they were unable to supply their customers with desirable

grades of coffee from the small stocks allowed to enter the port. These points were partially clarified in a new decree, which was passed by the state in March, 1926.

Brazil faced a bumper crop in 1927-28, and the carry-over from that year totaled 11,672,000 bags, which necessitated the negotiation of another private loan, which was successfully completed with a foreign syndicate to the amount of £10,000,000. This sum enabled the Institute to successfully carry on the burden. The 1928-29 crop was less than the preceding year, but the carry-over at the end of the season was 8,785,000 bags. Prospects of another bumper crop loomed menacingly near. The Institute, even with the joint efforts of the State of Sao Paulo and the Bank of Sao Paulo, was unable to shoulder the burden any longer without further financing. Once again the state was forced to plead for further credit.

The Banco de Brazil came through with an \$18,000,000 loan, and further aid was administered to the situation by the realization of a £2,000,000 short-

(Continued on Page 34)



CHANGES ON BOARD

Owing to pressure of business, John C. Newman, President of General Steel Ware, Ltd., has resigned from the Vice-Presidency and directorate of the Sarnia Bridge Company. Mr. Newman is succeeded by Frank M. Ross.

—Photo by "Who's Who in Canada".

ON SAVINGS

4%

Interest

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SUBJECT TO CHEQUE.

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Mortgage Corporation

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Assets exceed \$66,500,000

NEW ISSUE

\$1,000,000

Industrial Acceptance Corporation

LIMITED

6% Series "A" Ten-Year Convertible Debentures

Dated June 1, 1930. Due June 1, 1940. Principal and semi-annual interest payable June 1 and December 1, in Canadian gold coin, at the Royal Bank of Canada in Montreal, Toronto, Winnipeg, Vancouver and Saint John. Coupon debentures in denominations \$1,000 and \$500, with privilege of registration as to principal. Redeemable in whole or in part on any interest date, on 60 days' notice, at 105 and accrued interest to date of redemption.

Trustee: Montreal Trust Company

These Debentures are convertible at the holder's option at any time into common shares, Class A, in the ratio of 30 shares for each \$1,000 debenture.

CAPITALIZATION

	Authorized	Outstanding
6% Series "A" Convertible Debentures, due 1940	\$1,000,000	\$1,000,000
Common Stock, Class A, no par value	150,000 shares	60,000 shares
Class B, no par value	30,000 shares	20,000 shares

†Further series up to \$3,000,000 in all, issuable subject to restrictions in Trust Deed.

*Including 30,000 shares reserved for the conversion of Series "A" Debentures.

Mr. J. P. A. Smyth, Vice-President, summarizes from his letter to us as follows:—

Business Industrial Acceptance Corporation Limited, is engaged in a specialized form of commercial banking supplementing the usual functions of the Canadian chartered banks. The business consists principally of the purchase of instalment lien obligations created through the sale on time of motor vehicles, electrical appliances and a large variety of other nationally known commodities marketed in Canada.

The assets of the Corporation consist almost entirely of cash and these short term investments, which in all cases are secured by substantial margin and lien and are practically self-liquidating. The Corporation's investment in these obligations as of June 30, 1930, was \$5,771,716, representing the financing of a large number of commodities widely distributed throughout the Dominion among upwards of 1,500 dealers and 25,000 purchasers. Outstanding balances averaged less than \$225, with the average maturity only four months away.

Careful scrutiny of credits, diversification and the large margin of safety in favour of the Corporation in all its financing have consistently kept credit losses at a very low level. On total purchases of \$23,339,992 in the five years since organization in 1925 to 1929 the Corporation's total loss has been less than two-fifths of one per cent.

Canadian General Electric Agreement The Corporation purchased in 1929 from the Canadian General Electric Company the Canadian Contract Purchase Company, Limited. This Company was organized by the Canadian General Electric Company to take care of the financing of instalment paper emanating from the sale of its products. Through a favourable agreement with the Canadian General Electric Company, the Industrial Acceptance Corporation, Limited, now extends its facilities direct to General Electric dealers and distributors throughout Canada.

Trust Deed The Debentures, which are issued under a Trust Deed setting forth the rights of the Debentureholders, constitute a direct obligation of the Company. Further series of the Corporation's Debentures may be issued under the careful restrictions of the Trust Deed, but to a total not exceeding \$3,000,000, including this issue of Series "A" Convertible Debentures.

Assets The net assets of the Corporation as at June 30, 1930, as shown in the accompanying balance sheet certified to by Clarkson, McDonald, Currie & Company, Chartered Accountants, after giving effect to the new capital and after deduction of all other liabilities, are over \$2,000,000, against \$1,000,000 of outstanding debentures.

The entire assets of \$6,431,087, with the exception of only \$90,885, are in the form of cash or secured self-liquidating obligations. The valuable goodwill and contracts of the Company are carried in the balance sheet at \$1.00.

Earnings Volume of business, as shown by the Corporation's records, and gross income and net income before income taxes, as certified by Clarkson, McDonald, Currie & Company, Chartered Accountants, available for interest on Debentures after making adjustments for non-recurring revenues and expenses and after giving effect to the capital supplied by the present financing to the extent that such capital would have replaced loans and advances made and/or guaranteed by Industrial Acceptance Corporation (New York), were as follows:—

	Receivables Purchased	Gross Income	Net Income
1925 (6 mos. to Dec. 31)	\$ 998,314	\$45,094	\$26,588
1926	2,854,934	109,065	72,889
1927	3,381,734	194,536	94,499
1928	4,316,840	241,062	100,009
1929	11,788,170	755,684	202,010

Net income of \$202,010 in 1929, as shown above, was over three times the full year's interest on these Debentures and for 1930 is estimated by the management at \$240,000, or four times the annual requirements. For the first half of 1930 the Corporation's business has already shown a substantial increase as compared with the first half of 1929.

After Debenture interest and estimated income tax, the earnings for 1929, as set forth above, amounted to \$130,809, equivalent to \$2.18 per share on Class A stock. Earnings for 1930 on Class A stock are estimated by the management at \$195,160, or \$3.25 per share.

Debenture Conversion Privilege These Series "A" Debentures are convertible at any time, at the holder's option, prior to maturity, into Class A shares in the ratio of 30 Class A shares for each \$1,000 Debenture.

These debentures are offered for sale by us, subject to the approval on all legal matters of Messrs. Brown, Montgomery & McMichael

Price: 99 and accrued interest

Greenshields & Co

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LONDON, ONT.

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.



ISSUES REASSURING STATEMENT

Replying to statements in the daily press following the recent announcement of new financing by Gypsum, Lime and Alabastine, Canada, Ltd., R. E. Haire, President of the Company points out that not only is the balance sheet position of the Company entirely satisfactory, but that business prospects are regarded as good. Mr. Haire indicates that the first four months of the calendar year furnish very little in the way of profits to the company, owing to the seasonal decline in building, and that almost the entire earnings for the year are recorded in the other eight months.

—Photo by "Who's Who in Canada".

Selecting Investments

The present seems a favorable time for entering the Investment field. We will be pleased to assist any investor in making a suitable choice.

Government, Public Utility, or Industrial Bonds Listed or Unlisted Stocks

If your name is not on our mailing list, and you would like to receive our latest bulletin on securities and the market, send your name in to our Investment Dept.

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CAN HOWEY SHOW PROFITS?

Editor, Gold and Dross:

What of the Howey situation? Is there any way of sizing this proposition up at this time? I am a shareholder and paid three times the ruling price. The stock was bought on the understanding that it was a \$7 mine, with plenty of ore for a 500 ton mill.

—R. K., Ottawa, Ont.

The Howey situation is, frankly, not very happy. The incontestable facts are that the mill has been running six months and the recovery per ton is still below \$4 a ton in gold. This is distinctly not a good performance. The milling experience has been sufficient to discount any freak occurrences; there has been ample time to determine what the average grade of the mine ore is—and that grade seems to be definitely established at less than \$4 or very close to it.

The question arises, can Howey, with a 500 ton mill make profits on \$4 ore? The answer is—judging by experience of other gold mills in the north—no. In these passing months, since milling started, the company has been using paid for stores and running a new plant which does not need replacements. A theoretical profit may be shown, of very small dimensions. It is not to be expected that \$4 ore can show profits, milling at 500 tons, when repairs and supplies are required. A mill of double present capacity might show something but this would necessitate a large expenditure and the company has not the money, in fact owes half a million dollars.

You speak of a \$7 mine. This was distinctly the impression gained by the public, through official utterances. Even allowing for the later revaluation at \$6.50 average, there is manifestly a big discrepancy between promise and performance. How to account for this? There is no question of the honesty and sincerity of the operators. A large sum was spent in sampling, re-sampling and assaying.

The answer is, I believe, to be found in the nature of the ore occurrences. Development work was done in the form of sinking, cross-cutting to vein and drifting on the same. No raising—and this is significant—of any account was done. In other words, continuity of ore lenses from horizon to horizon was not definitely established. It appears to be from the milling results that the values secured in sampling were in the drifts but could not be secured in stoping. Evidently the wide bodies had lean sections and it has been impossible to select the lean from the rich in removal.

The management may succeed in developing a system whereby millheads can be raised by sacrificing tonnage. But this is just a chance. The directors are searching for a solution of the difficulties at this time.

PARTNERSHIP'S JOYS AND SORROWS

Editor, Gold and Dross:

I have only just heard that the Bruck Silk Mills people have refused to pay the dividend that was due in August. Why have they done this, and by what right? I think it is a shame that companies should be allowed to refuse to pay the dividends they properly owe to their shareholders. Please let me have your opinion of the matter. You have the reputation everywhere of being trustworthy.

—T. L., Hamilton, Ont.

My thought, after reading your letter, is that you should never have invested in anything but Dominion government, provincial government and municipal bonds. The common stock of Bruck Silk Mills Limited is a speculation, not an investment, and you have no right to be holding it. This does not mean that the stock is unattractive in its class; the company has made good progress in the past and doubtless will again when business picks up.

What you are evidently unaware of is that as a shareholder you are a partner in the company and as such participate to the full in its joys and sorrows. When the company makes plenty of money, you benefit proportionately; when it does not, you do not. This is very different from being a creditor, as are bondholders, who merely lend their money to a corporation at a fixed rate of interest, taking a mortgage on the company's assets as security for the loan.

The Board of Directors is a committee of management appointed or elected by the shareholders to manage their company for them. Sometimes situations arise in a corporation's life which call for drastic action by the directors (such as, for example, the suspension of dividend payments) in order that the best interests of the company and its shareholders may be protected. In the case of Bruck Silk Mills Limited, earnings have lately been reduced as a result of the business depression and the directors deemed it wise to omit the usual dividend payment in order to conserve the company's resources. As soon as conditions justify the step, disbursements will doubtless be resumed. The company has been carrying out a considerable programme of expansion for some time past, which has of course required the expenditure of a good deal of cash. Nevertheless it is, I believe, still well supplied with working capital and its general position is satisfactory. It is just current earnings that are down, and this is a situation which will doubtless be remedied in time.

THE PICK OF THE MINING STOCKS

Editor, Gold and Dross:

Will you please recommend, through your columns, the four or five most attractive Canadian mining stocks? I am not so much interested in the speculative features as I am in their income-producing ability for the next few years. I have no investment in this class at present and can afford to take a reasonable risk.

—B. C. W., London, Ont.

As you have eliminated the speculative element I would suggest that you stick to the dividends paying gold stocks for the time being. In this list you have a choice of Teck Hughes, currently paying 60 cents annually, yielding around 9%, with the promise of raising disbursement rate within twelve months.

You have Lake Shore, which within the period you suggest, will pay \$2 a share. At current prices the yield will approximate that of Teck, with a possibility of further increase.

Dome Mines, Limited, with dividend rate of \$1 annually, selling at somewhat over \$9 at the moment has a still more attractive yield, but is not quite as well secured with ore assets as the above named, which are comparatively young mines. However, Dome has \$5 a share in cash assets and approximately the same in visible profits in ore, with the possibility of longer life at present indicated.

Hollinger, paying 5 cents a share every four weeks, selling at around \$6 a share, has a good yield. From present performance and outlook it should continue to do this for some years.

McIntyre, taking on a new lease of activity and building a 2,000 ton mill, has not quite as good a return as the others, but its sound policy and greater profit chances make it attractive from the investment angle. It pays \$1 a year and there is a good chance of enhancement in this direction.

A sum distributed amongst this list would be well protected against individual decline. The return is good and the possibilities of market improvement considerable. In other words, it is a safe distribution, which I assume is what you are looking for.

INVESTING \$500

Editor, Gold and Dross:

I have for immediate investment five hundred dollars. Would you please recommend for me some security that, while yielding interest, will in future appreciate in value. By future, I mean ten or fifteen years. Such an investment does not need to be particularly liquid. For your guidance I would say that I am in receipt of a small salary, but able to save systematically.

—E. E., Toronto, Ont.

With regard to the investment for \$500, which "while yielding interest will in the future appreciate in value," it is difficult for me to make a really intelligent recommendation without knowing more of your circumstances. It would be desirable to know, in particular, as to whether you already have an investment portfolio, or whether the proposed investment of this \$500 would represent your first step in this direction. You will doubtless appreciate the point that what may be a suitable purchase for an investor of large means having a good backlog of sound securities, might, at the same time, be a quite unsuitable purchase for an investor of very moderate circumstances without such backlog.

The point I would like to stress is that it is even more important to invest systematically than to save systematically. Every investment list should be properly balanced, and should be properly apportioned between good bonds, preferred stocks and common stocks if the most satisfactory results are to be achieved. Assuming that you are already following some plan of this kind, I would suggest for an investment in the present case the purchase of Canadian Pacific Railway common stock, now selling around 172. (This is the current market price of the old stock—it is now being split four to one).

The current annual dividend of 10 per cent. gives an annual return on the basis of a purchase price of 172 of 5.81%, which, I think, may be considered a very satisfactory figure for a stock having the strength and possibilities of future growth of C.P.R. common. The high for the stock this year was 226%, the decline from this level being due to the sharp cut in earnings experienced by the Railway as a result of the business depression and in particular the tremendous reduction in the haulage of grain.

This situation is a purely temporary one, however, and the Railway's earnings may be confidently expected to increase with the recovery of the general business situation. Mr. Beatty, President of the Company, recently stated there was no likelihood of a cut in the dividend rate. The future of the Canadian Pacific Railway is bound up with that of Canada, and a purchaser of the common stock has therefore every reason to hope for continued steady growth in future years in the prosperity of the company and therefore in the value of its holdings.

PREMIER JUST A HOPE

Editor, Gold and Dross:

I read with a great deal of interest your comments on the mines and I have learned, over many years, to have great confidence in your judgment. Will you please let me know whether or not you consider Premier a good speculation. It is very low in price for the dividend it pays. Your advice will be very much appreciated.

—W. J., Clinton, Ont.

Premier has been selling at around \$1 a share and paying 24 cents a year in dividends, making the stock the highest yielder on the mining list. There is a reason for this.

The company's ore assets have been declining for several years and up to a few months ago it was considered only a matter of time until these were exhausted and dividend payments stopped. Recently the company has shown commendable activity in taking on new prospects in its area, thereby supporting the hope that earnings might again return to a point where disbursement of a fair dividend might be continued.

There is no definite assurance that you would get your money back as yet. It is just a hope.

A GOOD CURRENT BUY

Editor, Gold and Dross:

I would appreciate it very much if you could tell me something about the Procter and Gamble Company. I have heard that the possibilities of this company would be analogous to that of National Biscuit Company in the past. If this is so, I would like to have some of the stock. Do you think that this stock could be bought wisely at the present time?

—J. H., Bridge River, B.C.

However Procter and Gamble's future dividend disbursements may compare with those of National Biscuit in the past, the shares of Procter and Gamble stand on their own feet as an attractive purchase. The continued expansion of the company and the failure of the general trade recession to check the growth of the company's profits make the shares appear to be a distinctly attractive purchase at around the current market level for long term holding.

This company, which ranks as the largest producer on this continent of soaps, glycerine and cooking fats manufactured from vegetable oils, is well fortified from the earnings point of view for the next twelve months, because of favorable contracts for raw materials which likely will tend to widen the company's margin of profit. The company's net for the fiscal year ended June 30th last gained 16 per cent. being equivalent to \$3.34 per share on 6,410,000 common shares, compared with \$2.97 for the preceding twelve months. For some time past sales are understood to have been at peak levels, and the fact that the company's products are in the nature of necessities, indicates that the volume of business should be well sustained. Therefore, aided by increasingly favorable profit

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An Increase of 23 Per Cent

THIS is the increase in output of electric energy sold by National Light & Power Co., Limited, in the first 8 months of 1930, as compared with the corresponding period of 1929.

We recommend for investment the 6%, First Mortgage, Sinking Fund Bonds of this company, due Nov. 1, 1949. Further particulars on request.

Price: 100 and interest

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Silverwood's DAIRIES, LIMITED

NOTICE OF DIVIDENDS

NOTICE is hereby given that a quarterly dividend of one and three quarters per cent. (1 3/4%), being at the rate of 7 1/2¢ per annum, has been declared on the Preference Shares of the Company, payable October 1st, 1930.

Notice is also hereby given that a quarterly dividend of twenty-five cents (25¢) per share, being at the rate of One Dollar (\$1.00) per share per annum, has been declared on the Class "A" or Ordinary Fully Participating Shares and the Common Shares of the Company, payable October 1st, 1930.

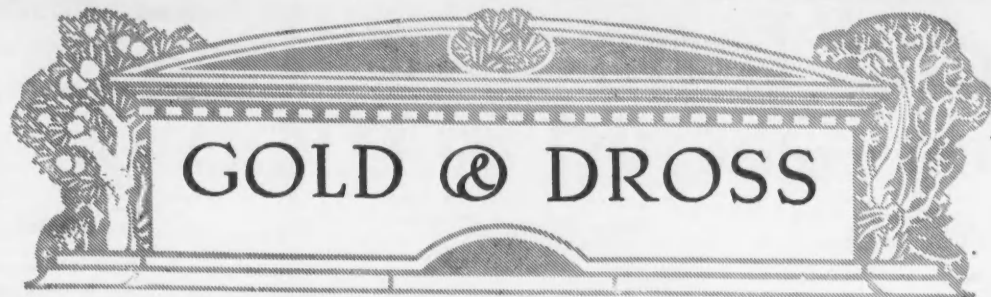
The above dividends are payable to Shareholders of record as of September 20th, 1930.

By order of the Board,
J. R. GILLIES, Secretary.
London, Ontario, September 20th, 1930.

DOMINION Textile Co. Limited

Notice of Preferred Stock Dividend
A dividend of One and Three Quarters per cent. (1 3/4%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending September 30th, 1930, payable 15th October, to shareholders of record September 30th.

By order of the Board,
JAS. H. WEBB, Secretary-Treasurer
Montreal, September 2nd, 1930.



margins, the chances are that the upward trend of net earnings will be maintained this year.

Dividends on the common stock were recently increased to \$2.40 per annum from the former \$2 rate. The company's balance sheet as of June 30th last shows an enviable financial position, with cash or its equivalent more than four times the current liabilities and with a ratio of current assets to current liabilities of 13.6 to 1.

NOT IN YOUR LIFETIME

Editor, Gold and Dross:

Have you any information about the Belcher Island Iron Company? I understand the development is being financed in New York to the extent of \$35,000,000 and the stock is to come on the market at \$5 a share. The property is situated on the Belcher Islands and there is talk of a smelter being built at Moose Factory or Whale River. I have been approached with a view to becoming associated with the syndicate. What would you advise?

—G. M., Oshawa, Ont.

My candid opinion on this Belcher Island Iron Company is that it should be left alone. It is to be hoped that Canadian investors or speculators are not taken in with any such stories as smelters at Moose Factory or on the Whale River. There is apparently a profound degree of ignorance behind any such statement. Moose Factory on James Bay is not approachable from the Bay by ships of any considerable tonnage. In fact a sizable boat cannot get within 30 miles of it.

With respect to the deposits of iron on Belcher Islands there is considerable information available. However, these deposits are not, to my knowledge owned or controlled by the Belcher Island Iron Company. The Northern Aerial Minerals Exploration Company, a business like and reputable exploration company, secured what is considered to be the pick of the iron locations and officials are trying to interest capital in development.

They are not offering stock or units to the public. They are going after big capital, with the idea of mining and shipping the ore through the Hudson Straits to Germany or elsewhere. You will not live to see smelting on the shores of Hudson or James Bay. The problem of mining and shipping the ore is big enough as it is.

POTPOURRI

S. D., Toronto, Ont. PHILLIPS PETROLEUM offers, in my opinion, very fair speculative possibilities as a purchase at the current market level for a hold over a year or so. Low prices for petroleum products have prevented any expansion of earnings this year, despite a substantial increase in the company's gross business. Operations for the full year of 1930 will probably be materially below 1929, and this probability is reflected in the present price of the stock. However, due to the company's expanding position in the oil industry and its rapid extension into the field of natural gas, I consider the long term outlook decidedly bright.

A. W., Atlanta, Ga. It is impossible, of course, to give a categorical reply to the question which you propound. As between high priced and low priced stocks I might point out that low, or popular priced stocks are more likely to be subject to greater fluctuations than the higher priced and generally more conservative ones. In addition, the lower priced stocks would not be in such a sound technical position, that is, because of their accessibility through price they would be held to a greater extent by smaller investors who would likely toss them overboard in the case of a bad market, and thus bring about a large decline in the stock. The higher priced stocks, as a rule, do not decline as rapidly, and are in addition generally held by larger investors and in considerable blocks. I might put it this way: If you are looking for more action, but are also prepared to accept more risk you might select lower priced stocks, whereas for the more conservative investor higher priced ones might be more satisfactory, although no such generalization as this can hold in all cases.

B. E., Fullerton, Ont. While shares of ANGLO AMERICAN ROYALTIES AND SHARES CORPORATION have some speculative possibilities, I would not advise a purchase by a lady such as yourself, who possibly is not very expert in investment matters. This stock is essentially speculative, and should only form a part of a diversified list of holdings of one who understands and is prepared to accept the risks involved. If you buy stocks, I would suggest that you do not buy anything that is not listed on the Toronto, Montreal or New York stock exchanges.

R. A., Detroit, Mich. I think that all the industrial stocks which you have selected are good ones and should show appreciation if held for a period of two or three years. From your list I would select CANADIAN PACIFIC RAILWAY, IMPERIAL OIL and AMERICAN TELEPHONE AND TELEGRAPH as possibly the most attractive. It is impossible to predict the near term course of the market. As possible conditions are extremely unsettled and the market fluctuates quite a bit. It is possible for these stocks to go lower than at the present time, although I do think that the general trend should be upward.

M. J., Toronto, Ont. THE CORRUGATED PAPER BOX COMPANY LIMITED which was coming fairly well through the depression which made itself felt during the closing months of 1929, in common with many other companies in its line of industry, experienced considerable hardship throughout the earlier portion of 1930. In passing the dividend on its 7% cumulated preferred stock the company felt that it was adopting a conservative course. Recently I am informed that business has picked up quite a bit, and that the company expects material benefits from the new Bennett budget, now in effect. The measure of protection according to the industry by this budget will, it is felt, have quite a beneficial effect on the company's earnings. It is impossible, of course, to predict when dividend payments on this preferred stock will be renewed, but should business continue for the balance of this year at its present rate, resumption of payment should not be deferred very long. I am afraid that it is impossible for you to dispose of your holdings at the present time, since to my knowledge, no market exists for this preferred stock.

P. H., Chicago, Ill. CANADA STEAMSHIPS' common and HUDSON BAY MINING AND SMELTING both offer very fair speculative possibilities, though if I were interested in Canada Steamships, I would pick the preferred instead of the common under present conditions. The preferred (par \$160) is currently available under 40, the low price being due to the sharp cut-down in earnings experienced by the company in the last year and to the recent suspension of dividend payments on this preferred issue. Canada Steamships is basically sound and although recovery of the company may take some time, these preferred shares should be selling considerably above the present level in say a couple of years or so.

O. W., Winnipeg, Man. WAITE-ACKERMAN-MONTGOMERY MINES, LIMITED, is capitalized at 2,000,000 shares with all shares issued. The stock is strongly held, the company being practically a subsidiary of Noranda Mines, Limited, which has between 85 and 90% of the stock in its treasury. The remainder is held in fairly large blocks, with very little in the hands of the general public. The history of the company has been a very successful one. Following original surface discoveries and diamond drilling, underground exploration, leading to production, was begun. A small but efficient and cheaply operated plant earned \$500,000 net in 1929, when the price of copper was high. Early in 1930 productive mining was practically stopped, to permit

of further development work during the low price period for copper. This work has been highly successful and the company now has added a very considerable tonnage of ore of good grade. Following this up, new bodies have been indicated by drilling and the whole operation of the mine in the past eight months has materially improved the outlook. A feature of interest is the ratio of profit to production. The company simply mines and ships raw ore to Noranda, about six miles away, keeping costs at a low figure. My view is that this stock offers considerable attraction from the speculative viewpoint. All factors seem to favor it; low capitalization, small floating supply of stock, large and good grade ore reserves which are being steadily augmented, low operating costs, small plant expense. A rise in the price of copper would prompt production quickly and the reaction on the market should be practically automatic.

J. A., Fort William, Ont. Stock of the NORTH AMERICAN WIRELESS TELEGRAPH COMPANY is without value at the present time. You can easily check whether or not this is the company you mean by referring to your stock certificate and checking whether or not the company was incorporated under the laws of the State of Maine.

G. D., Edmonton, Alta. I am not particularly impressed by either SHERRITT GORDON, HOME OIL or CANADIAN MARCONI as current purchases. Home Oil, while among the better of the Western Oil companies, can only be regarded as an out and out speculation at the present time. While Canadian Marconi has been doing better since reorganization and since Sir Joseph Flavelle accepted the Chairmanship of the Board, nevertheless I cannot see that this company offers any great inducement to investors. I do not think the stock is worth much more than it is selling for at the present time, and I know of no current factors which would be likely to cause any appreciation in this stock for some time.

D. W., Montreal, Que. BASE METALS CORPORATION, LIMITED, capitalized at 3,000,000 shares has 2,000,000 shares issued. Goldfields Consolidated secured 1,300,000 shares and Mining Corporation of Canada 700,000 shares for their interest in the property. Mining Corporation undertook direction of development and erection of mill, which is now operating on a 300 ton daily basis, with provision for doubling capacity. Mining and milling costs are exceptionally low, totalling around \$3 to the ton. During the month of June even with the exceptionally low prices of lead, zinc and silver prevalent, the company made about \$16,000 profit. The ore is unusually high grade and with more normal prices for metals a high profit is indicated. To complete construction of mill Base Metals borrowed about \$200,000 from its principal stock holders, which will have first claim on profits. This stock looks good for a hold until such times as lead, zinc and silver recover. High ore values, large tonnage, low costs, efficient management, comparatively low stock issue are favourable factors.

E. F., Leesburg, Fla. The chief reason for the decline in the market value of AMERICAN FOUNDERS CORPORATION shares is public distrust of this type of security, following the very sharp losses sustained by so many investment trusts during and following the market crash of last Fall. American Founders itself, however, has a good record and its stock is, I consider, an attractive purchase at its current market price, which shows a substantial discount to net assets value. At its present market price the stock has been thoroughly deflated, and should reflect a turn for the better in general business and stock market conditions.

M. B., London, Ont. If you are considering the disposal of your French National Mail Steamship Lines Bond at a premium, as you suggest, for reinvestment of your funds, I would advise that you buy JAMAICA PUBLIC SERVICE as against Sin-Mac Lines Limited. While Sin-Mac Lines is an amalgamation of good companies, nevertheless it has very likely suffered from the present business depression. Jamaica Public Service, on the other hand, appears to be making steady progress and I think the bonds of this company offer ample security, coupled with a prospect of appreciation on the price at which they are currently selling.

W. M., Toronto, Ont. JEWETT RADIO-PHONOGRAPHS LIMITED became insolvent, I believe, about the end of 1927 and there seems to have been nothing left for shareholders. Its shares are now worthless.

F. J., Ottawa, Ont. Stock of the PEACE RIVER PETROLEUM LIMITED is without value at the present time. A number of shareholders made exchanges, similar to the one outlined in the correspondence which you sent along, but I never heard of any of them benefiting by such "changes."

F. R., Peterboro, Ont. By this time you have no doubt seen the first annual report of BLUE RIBBON CORPORATION, which has been forwarded to shareholders. This in itself is an explanation of the reason why the securities of this company are selling at their present low levels. You will note that the company only earned \$2.04 per share on the common stock as against dividend requirements of \$2, and it is currently expected that announcement of dividend reduction will be made shortly. Falling commodity prices, coupled with the write-off in inventories necessitated thereby, is attributed in the report to the decline in earnings. However, the report only covers three months of operation under consolidation. It is my opinion that the company not only has been able, but will be able in the future to put into effect important operating economies and I think the future is by no means gloomy. I would recommend that you retain your holdings at the present time instead of selling and taking a considerable loss.

W. G., Midland, Ont. CASTLE TRETHEWEY has 2,709,002 shares issued with net liquid assets of \$925,000. Last year earnings were only \$78,000 before depreciation, owing to low price of silver. The Castle property itself has been fairly extensively developed, although some mining chances remain. However, last year it merged with Capitol and in accordance with the terms of the merger the company engaged in prospecting work on the Capitol ground. A few weeks ago this work, a long crosscut from the latter's shaft, struck high grade silver in a favorable zone. This rather changes the complexion of the future outlook. While it was known that Capitol had certain geological features of interest the quick finding of high grade was rather unexpected and the discovery places before Castle directors the problem of whether this should be thoroughly explored or whether it should be allowed to await more favorable silver price cycle. High grade silver is not to be ignored, even at 35 cents an ounce. This find is a definite ray of hope for Castle shareholders. It might turn out to be very important.

D. C., Toronto, Ont. I understand that CHARLES GURD AND COMPANY LIMITED did a bigger business for the six months ending June 30th, 1930, than for the same period of last year. There is no reason that I know of why the company should not make a good showing for the year.

NOTICE TO READERS

Saturday Night's investment advice service is for the use of paid-in-advance mail subscribers only. Saturday Night regrets that it cannot answer inquiries from non-subscribers.

Each inquiry must positively be accompanied by the address label attached to the front page of each copy of Saturday Night sent to a regular subscriber, and by a stamped, self-addressed envelope.

Each letter of inquiry should refer to one company or security only. If information on more than one company or security is desired, the sum of fifty cents must be sent with the letter for each additional company or security inquired about. If such additional inquiries relate to mining or insurance matter, they should be written on separate sheets of paper.

Inquiries which do not fulfill the above conditions will not be answered.

Simpsons, Limited

6 1/2% Preference Shares

Simpsons, Limited, whose business was established in 1872, controls operations of two of the oldest established departmental stores in Canada and a mail order business extending over the whole Dominion.

Officials of the Company estimate that for the fiscal year ending January 28th, 1931, net earnings available for Preference Shares will not be less than \$1,350,000—compared with annual dividend requirements of \$731,250 on Preference Shares to be presently outstanding.

Price: 94.50 and accrued dividend, yielding 6.88%

Descriptive circular will be furnished upon request.

Wood, Gundy & Company Limited

30 King Street West—Toronto—Telephone Elgin 4321
Toronto Montreal Winnipeg Regina Calgary Vancouver
London, Ont. Hamilton Ottawa New York London, England

Invest for the Future

Reduction in industrial and economic activity in Canada is but temporary. Growth and development is the normal condition. Investors, therefore, may now purchase with confidence securities of corporations representing basic industries.

Our October Investment List offers securities of representative corporations which present an opportunity to participate in Canada's future prosperity.

A copy will be furnished upon request

R. A. DALY & Co.
LIMITED
50 KING STREET WEST
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TORONTO

Telephone: Adelaide 9151

Better times ahead for Canada

Constructive forces are at work and we believe the time to buy securities is BEFORE such forces make themselves felt, not AFTER. The average investor, however, has not before him the FACTS derived from reliable sources, consequently when opportunities present themselves he frequently misses them. The unbiased opinion of our advisory counsel and the services of our Statistical Department are at the disposal of those desirous of purchasing.

BONDS, PREFERRED AND COMMON STOCKS
We deal in all the above classes of securities on ALL the principal exchanges.

H. G. STANTON COMPANY

LIMITED
H. G. STANTON
Member Toronto Stock Exchange
Royal Bank Building Telephone Elgin 8106
King and Yonge Sts. Board Room, Elgin 8910

A. E. OSLER and COMPANY

Established 1886

Members Toronto Stock Exchange

Orders Executed in Industrial and Mining
Stocks on All Exchanges

Osler Bldg., 11 Jordan St., Toronto (2) Elgin 3461.

Why People Buy Life Insurance in Good Times and Bad

BECAUSE it provides a savings fund which will make them carefree and independent if they live to old age, giving them something pleasant to look forward to after their working days are past.

Because the very first deposit they make for life insurance creates an immediate estate, so that if they should die the next day, the whole of the principal sum, which it would have taken them many years to save in the ordinary way, will be at once available for the support of those they leave behind them.

Because there is no better way to acquire the habit of saving than by taking a life insurance policy, as the necessity of making deposits regularly has enabled many a person to save who would not otherwise have done so.

Because it enables a man to have

Penmans Limited Dividend Notice.

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1930.
On the Preferred Stock, one and one-half per cent. (1 1/2%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1930.
On the Common Stock, One Dollar (\$1.00) per share, payable on the 15th day of November to Shareholders of record of the 15th day of November, 1930.

By Order of the Board,
C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., 29th September, 1930.
his wife's name put on the payroll when his own is removed by death, and guarantees her a monthly income for life or for a stated number of years, as desired. No worry, or uncertainty—a cheque will come to her every month.

Because the money people invest in life insurance is safe. It is not subject to the hazards which attend many other business ventures. Whatever happens to their other property, they can be sure of their life insurance.

WELLINGTON FIRE INSURANCE COMPANY



Established 1840

"One of the Oldest Canadian Companies."

President Vice-President
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Directors
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S. C. ROBINSON, M.P. HARRY C. F. GAN
W. E. BUCKINGHAM E. J. HAYES
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Superintendent of Agencies
GEORGE A. GORDON
HEAD OFFICE
14-24 Toronto St., TORONTO
Insurance Exchange Bldg.



Security \$71,433,948
Toronto Agents,
PYKE & THOMPSON
53 Yonge St.



Established in 1889 Telephone Elgin 5305-6
J. P. LANGLEY & CO.
C. P. ROBERTS, C.A.
M. HILBORN, C.A.
Chartered Accountants
G. S. HOLMSTED
Trustee in Bankruptcy Proceedings
Offices: McKinnon Bldg., TORONTO

The
Canada National Fire Insurance Company
Head Office, WINNIPEG, MAN.
A Canadian Company Investing Its Funds in Canada.
President, J. B. COYNE, K.C., Winnipeg, Man.
First Vice-President, T. S. McPHERSON, Victoria, B.C.
Second Vice-President, ALLAN S. BOND, Winnipeg, Man.
Application for Agencies Invited.
Toronto Office: 767 Yonge Street.
WALTER J. STEER,
Branch Manager

The Ontario Equitable
Life & Accident Insurance Company
S. C. Tweed, President
Head Office, Waterloo, Ont.
Insurance in
Force . . . \$52,460,013
Assets . . . 7,323,146
Policy Reserves. 5,547,433

Policyholder's Dividends
The five year dividend results to policyholders in this company have been most gratifying and compare favorably with those of any other company.
The Western Empire Life Assurance Co.
W. R. HOUGHTON, President
WINNIPEG, MAN.

MERCHANTS FIRE INSURANCE CO.
HEAD OFFICE, TORONTO
G. M. HORSWELL, MANAGER

Concerning Insurance

Changes in Life Underwriting

Great Advance in Methods of Conducting Life Insurance Business Emphasized by Big Toronto Convention

By GEORGE GILBERT

UPWARDS of 2,000 life insurance salesmen, gathered from all parts of Canada and the U. S. at the International Convention of Life Underwriters in Toronto recently, brought home in striking manner the great advance which has taken place during the last decade or so in the conduct of the life insurance business on this continent.

At their own expense these salesmen were present to discuss ways and means of extending internationally the benefits of life insurance and of helping each other to do a better job of making a living for themselves and their families and of furnishing a better service to the buyers of insurance.

Time was—and not so many years ago—when life insurance agents looked upon even the other representatives of their own company in the same territory, not to mention the agents of other companies, as keen competitors, and nothing was farther from their thought than to give them the benefit of any of their sales experience or successful working plans.

However, as a result of co-operative endeavor brought about largely through the efforts of life underwriters associations, local, national and international, an era of "new competition" has been ushered in, so that the life insurance business to-day may be said to be pre-eminent among those businesses in which the progress of the separate companies or separate individuals engaged in it is not based upon any trade secrets or special advantages.

Competition now is not so much between the different companies or the different agents, as it is between the life insurance business as a whole and other businesses for a proper share of the consumer's dollar.

An improved general understanding of life insurance and higher public regard for its representatives are evidenced by the many favorable editorials appearing frequently in the leading newspapers, financial journals, and outstanding weekly and monthly periodicals, by which the people generally are being made more "insurance conscious" than ever before. Indeed, they are being more than ever convinced that nothing will ever be devised to take the place of life insurance in its function of creating estates and guaranteeing the fulfillment of human plans through combination of its protective and investment or savings elements.

In recent years, business insurance for the protection of a firm against the loss of a key man or a partner, or for the protection of shareholders in a company against the acquisition of stock by outside interests, has brought about co-operation between life underwriters and trust companies, to their mutual advantage.

While the number of individuals who carry very large amounts of insurance is on the increase, the great bulk of life insurance continues to be sold for the protection of families

whose annual incomes range more in the region of \$3,000 to \$5,000 than from \$30,000 to \$50,000.

As a means of adequately and effectively administering the estates created by life insurance, the advantage of the monthly income settlement option is being more generally recognized. Payment of the proceeds of insurance policies in the form of a monthly income, instead of in a lump sum, does away with worry over investment or reinvestment on the part of beneficiaries.

Instead of the old "Let the buyer beware" spirit, there is noticeable a growing sense of trusteeship in those charged with the conduct of life insurance business. At the recent convention, the following remarks of the president of the American Life Convention were quoted with approval: "I believe that the man who gets himself elected to a trusteeship in a life insurance company, or in any other corporation for that matter, and then uses that place of responsibility for private gain in which the other stockholders or policyholders do not equitably participate, is a worse citizen than is the petty thief who with a dark lantern and a jimmy enters your home in the middle of the night and plunders what few articles he may lay his hands on; the latter is petty larceny; the former is grand larceny within the meaning of good morals and trusteeship in business."

It is more widely recognized than ever before that the progress of a life company must be built on a foundation of trusteeship, with a proper balance of interest between policyholders and stockholders, and also between head office and field staffs, so that the policyholders will obtain their protection at as low a cost as possible, consistent with a moderate return on invested capital, where there is invested capital, and just wages to those who work for the company.

Canadian Life Companies Going Ahead in Britain

ONE of the bright spots in Great Britain at present is the continued progress in life insurance production, particularly of Canadian companies," stated A. N. Mitchell, General Manager of the Canada Life Assurance Company, on his return from a visit to that company's branches in the British Isles.

He foresees the likelihood of still greater expansion of the life insurance business there even under circumstances such as the present that are not overly encouraging to many other classes of business. He states that "the possibilities of future larger developments there can be looked forward to despite economic conditions, because of the fact that the people of Great Britain are insured to a less degree than in Canada, while at the same time there appears to be considerable evidence of a growing belief in the advantages of life insurance. Although Annu-

ties and Endowment plans are still popular, there is a rather surprising increase in the sale of Life plans and a rapidly increasing desire for greater "immediate protection" for the money expended.

"There is also a definite change going on in the matter of sales organization which must ultimately cause a more intensive sales program. This change is as yet chiefly found in the organizations of the Canadian companies and this probably accounts for the fact that they are doing a surprisingly large business in the British Isles, so large, in fact, that it compares most favorably with that done by the home companies."

Branches of the Canada Life are found now in all parts of the British Isles and their business there if segregated would in itself form a large company.

Sun Life Reports Increased New Business

SUN Life Assurance Co. of Canada recently reported an increase in business to date this year of 11 per cent. Last year the company wrote over \$600,054,000 of business and up to the middle of August showed an increase of \$43,000,000 of new business. Accepting the fact that 1929 was an abnormal year, the company received in the first seven months \$6,000,000 in cash in the purchasing of annuities, yet during 1930 for the same period the company had received almost \$9,000,000.

In 1929, the Canadian department wrote \$121,000,000 and this year showed an increase of 20 per cent. over 1928. In the United States the company's business showed an increase of over 29 per cent. Some of the other departments are a trifle ahead and some are behind, but the British department shows an increase for the year of over 21 per cent.

According to Arthur B. Wood, vice-president, the company wrote \$21,000,000 of new business in the United States in 1925 and in 1929 \$232,000,000. It is fully expected this year that the company will write \$300,000,000.

The assets of the Sun Life have increased this year by \$40,000,000.

Why the Loan Feature in Life Policies?

IN A published interview, E. B. Gould, actuary of the Prudential Insurance Company, is quoted as follows:

"Some insurance men argue, that it would be better to have no loan feature in insurance policies because loans often have the effect of destroying the purpose of the insurance by causing lapses.

"Yet this is not a valid objection, for if the loan feature were eliminated less insurance would be written. Furthermore, if the holder could not borrow on his policy a greater number would be compelled to turn their policies in for cash surrender. In such ways the ultimate purpose of protection would be defeated. As it is, 75 per cent. of the lapsed-loaned policies are reinstated.

"More than that. Many policies which would otherwise lapse are kept in force by use of the loan value."

INSURANCE INQUIRIES

Editor, Concerning Insurance:
Will you kindly let me know your opinion as to the financial responsibility of the Pilot Insurance Co. of Waterloo, Ont., and whether you consider it a safe company to insure with, also your opinion of its future prospects.
—R. C. M., Smithville, Ont.

The Pilot Insurance Company, whose head office is now at Toronto, having been moved recently from Waterloo, has been placed in a sound business and financial position by the Standard Accident Company of Detroit, which purchased the controlling shares of the Pilot some months ago. It is a safe company to insure with, and under the present management and control its future prospects are particularly bright in my opinion.

Editor, Concerning Insurance:
Will you kindly inform me if the Toronto Casualty Fire & Marine Insurance Company is in a sound financial position and safe to insure with. I have also been informed that this company is now known as the Toronto General Insurance Company, although the policy I am interested in is still in the name of the Toronto Casualty Fire & Marine Insurance Company.
—R. O. Blenheim, Ont.

The name of the Toronto Casualty Fire and Marine Insurance Co. was changed recently to Toronto General Insurance Co., but that does not affect the validity of any outstanding policies issued under its former title. At the end of 1929 the total ad-

A Tower of Strength

Assets - \$568,000,000

Life Assurance in force:

\$2,400,000,000

Rate of interest earned on mean invested assets in 1929
7.02 per cent.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE MONTREAL

Shaw & Begg, Limited

ESTABLISHED 1885

SECURITY — STABILITY — SERVICE

Manager for the following substantial Non-Board Insurance Companies:

WELLINGTON FIRE INSURANCE COMPANY Established 1840	Assets \$ 942,411.00
FEDERAL FIRE INSURANCE COMPANY OF CANADA Established 1922	Assets \$ 768,345.91
MERCHANTS FIRE ASSURANCE CORPORATION OF NEW YORK Established 1910	Assets \$14,892,547.00
STUYVESANT FIRE INSURANCE COMPANY Established 1850	Assets \$ 5,291,724.00
PACIFIC FIRE INSURANCE COMPANY Established 1851	Assets \$ 7,013,848.00
NEW JERSEY INSURANCE COMPANY Established 1910	Assets \$ 4,409,681.00
MILLERS NATIONAL INSURANCE COMPANY Established 1865	Assets \$ 5,690,297.00
BALOISE FIRE INSURANCE COMPANY Established 1863	Assets \$ 3,961,827.00
LUMBERMEN'S INSURANCE COMPANY Established 1873	Assets \$ 5,101,514.02
STANSTEAD AND SHERBROOKE FIRE INSURANCE CO. Established 1835	Assets \$ 853,128.00
AMERICAN AUTOMOBILE INSURANCE COMPANIES Established 1911	Assets \$14,881,526.06
LLOYDS CASUALTY COMPANY Established 1882	Assets \$ 5,492,697.00

Applications for Agencies solicited and brokerage lines invited from agents requiring non-board facilities

INSURANCE EXCHANGE BUILDING

14-24 TORONTO ST., TORONTO, ONT.

H. BEGG, President and Manager

UNIVERSAL INSURANCE COMPANY

J. H. RIDDEL,
Manager for
Canada.



NEWARK
NEW JERSEY

SAMUEL BIRD, President

Head Office for Canada

REFORD BLDG., TORONTO

RELIABLE AGENTS WANTED IN ONTARIO

The Wawanesa Mutual Insurance Co.

Head Office—Wawanesa, Man.

Operating in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

FIRE	AUTOMOBILE	WINDSTORM
Insurance in force
Assets over

Agents required in Ontario
Write 410 Manning Chambers, Toronto.

THE CENTURY INDEMNITY COMPANY of the well-known Aetna Fire Group offers Canadian business men sound casualty and surety protection.

Represented by

Murphy, Love, Hamilton & Bascom
Dominion Bank Building
Toronto, Ontario



WEBER BROS.

REAL ESTATE
CITY PROPERTY, FARM LANDS, RENTALS
INSURANCE
WE WRITE ALL CLASSES OF INSURANCE
FINANCIAL AGENTS
MORTGAGES AND LOANS NEGOTIATED
TIME SALES PAPER NEGOTIATED

Edmonton Credit Building, Edmonton, Alberta.

The Steel Company of Canada, Limited

Preference Dividend No. 77

Notice is hereby given that a dividend of forty-three and three quarters cents (43 3/4c) on the new Preference Shares of the Company has been declared for the quarter ending September 30th, 1930, payable November 1st, 1930, to shareholders of record at the close of business October 7th, 1930.
By Order of the Board,
H. S. ALEXANDER,
Secretary,
Hamilton, Ontario,
September 24th, 1930.

The Steel Company of Canada, Limited

Ordinary Dividend No. 55

Notice is hereby given that a dividend of forty-three and three quarters cents (43 3/4c) on the new Ordinary Shares of the Company has been declared for the quarter ending September 30th, 1930, payable November 1st, 1930, to shareholders of record at the close of business October 7th, 1930.
By Order of the Board,
H. S. ALEXANDER,
Secretary,
Hamilton, Ontario,
September 24th, 1930.



RECEIVES PRESENTATIONS ON RETIREMENT

Lyman Root, who retired on September 30th as Manager for Canada of the Sun (Fire) group of Companies, has been the recipient of many evidences of the high esteem in which he is held by his associates in the business. At the time of the annual meeting of the Canadian Fire Underwriters Association, a complimentary dinner was tendered him and other retiring Managers, and he was presented by his fellow Managers with a handsome silver tray, suitably inscribed. On September 26th, the Company gave a dinner in his honor, at which the agents presented him with a silver tea service. On September 30th, at a dinner in his honor, the officers and members of the Canadian head office staff presented him with a fine piece of silver plate, suitably engraved. Mr. Root's connection with Sun Insurance Office Limited, dated from 1914, first as Assistant Manager and from 1916 as Manager.

The Ocean Accident & Guarantee Corporation, Limited

Canadian Head Office:
Federal Building, Richmond & Sheppard Streets, TORONTO
Accident, Sickness, Liability, Automobile, Plate Glass, Burglary,
Guarantee Bonds, Fire, Boiler, Electrical Machinery.
J. A. MINGAY, Manager for Canada
Applications for Agencies Invited

THE Employers' Liability Assurance Corporation, Limited

Of London, England
Offices: Toronto—Montreal
Automobile, Accident, Sickness, Liability, Guarantee Bonds,
Plate Glass, Burglary, Boiler and Fire.
C. W. I. WOODLAND, General Manager
For Canada and Newfoundland
APPLICATION FOR AGENCIES INVITED
Branches: Winnipeg Calgary Vancouver London Ottawa



The Casualty Company of Canada

Both the Assured and the Agent benefit by association with
OF TORONTO
Everything but Life Insurance—Agency Correspondence Invited
COL. A. E. GOODERHAM, President. A. W. EASTMURE, Managing Director.

A Satisfied Client Means a Satisfied Agent

The client, the agent and the company must all be satisfied to make a perfect working arrangement. Our reputation for living up to all agreements, prompt payment and liberal consideration have made our Company desirable from an Agency, as well as Insured's, point of view.

Applications for Agencies Invited

The Dominion of Canada General Insurance Co.

Established 1887
CANADA'S OLDEST AND STRONGEST COMPANY
Head Office—Toronto
COL. A. E. GOODERHAM, President. C. A. WITHERS, Vice-Pres. & Man. Director. H. W. FALCONER, Asst. Man. Director.
BRANCHES: Montreal, St. John, Halifax, Ottawa, Hamilton, London, Winnipeg, Calgary, Vancouver, London, England; Kingston, Jamaica

NORTHWESTERN MUTUAL FIRE ASSOCIATION

SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets \$4,784,342.81
ALL POLICIES NON-ASSESSABLE
PAYING DIVIDENDS RANGING FROM 25% TO 40%
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax and Charlottetown.



Be Independent

At a very moderate premium you may secure a Monarch Life assurance policy which will guarantee protection to your dependents and secure your own future.

THE MONARCH LIFE ASSURANCE COMPANY
For particulars write—HEAD OFFICE—WINNIPEG

Established 1864

Robert Hampson & Son Limited

Insurance Agents and Brokers

FIRE MARINE CASUALTY
451 St. John St., Montreal

Mutual Relief Life Insurance Company

HEAD OFFICE KINGSTON, CANADA
Established as the Oddfellows' Relief Association, 1874
Reincorporated as the Mutual Relief Life Insurance Company, 1929
A PURELY MUTUAL COMPANY OPERATING THROUGHOUT CANADA AND NEWFOUNDLAND
LOW PARTICIPATING RATES—HIGH GUARANTEES
Business in Force over \$19,500,000. Assets over \$4,500,000.
Applications for Agencies Invited.
J. C. CONNELL, President. A. J. MEYER/JOHN, General Manager.



British Traders' Insurance Company Limited

FIRE MARINE
AUTOMOBILE HAIL

Canadian Head Office: TORONTO, Colin E. Sword, Manager for Canada.

mitted assets of the company were \$1,453,431.31, while the total liabilities except capital amounted to \$911,791.31, showing a surplus as regards policyholders of \$541,640.00. The paid up capital was \$438,685.00, so there was a net surplus over paid up capital and all liabilities of \$102,955.00.

The financial position of the company is sound, and it is accordingly safe to insure with.

While the company showed an underwriting loss in 1929 of \$38,596.13, the net-loss for the year was only \$2,056.59. Under the present management and control, it is anticipated that the company will show steady improvement in underwriting and financial results.

Editor, Concerning Insurance:

A friend of mine carries Public Liability Insurance on his automobile but does not carry insurance against property damage. He has been informed by his agent that, under the new "Safety Responsibility" law, he must either take out insurance against property damage or drop what he has. In other words, from now on there will be no policies written covering one without the other.

I should think that, even if this is so, he would be entitled to a rebate on the premium in case he chose to drop the Public Liability Insurance and either do without insurance or insure in another company.

—A. H. M., East Windsor, Ont.

Your friend does not have to do anything about his automobile public liability policy until it comes up for renewal, when he must either take out a policy against public liability, with limits at least of \$5,000 for injury to one person and \$10,000 for injuries to two or more persons, and also covering against property damage to the extent of at least \$1,000, or go without such insurance altogether.

All automobile liability policies hereafter issued in Ontario must cover against both public liability and property damage to the extent specified above.

If your friend drops his present policy, he is entitled, upon the surrender of it to the insurance company, to a refund of the amount of premium paid above the customary short rate premium for the time the policy has been in force.

Editor, Concerning Insurance:

I wish to be advised as to the safety of a policy which I have recently taken out with Firemen's Insurance Co. of Newark, N.J. Is this company a reliable company to place protection of a home against fire with? Would I be protected in collecting insurance in case of fire.

—D. M. C., Walkerville, Ont.

You need have no misgiving in regard to your insurance with the Firemen's Insurance Co. of Newark, N.J., as the company is in a strong financial position, is regularly licensed in Canada, and is safe to place insurance with.

It was incorporated in 1855 and has been doing business in Canada under Dominion license since 1912. At the end of 1929 its total assets in this country were \$458,246.44, while its total liabilities here were \$185,644.50, showing a surplus in Canada of \$272,601.94.

Its head office statement shows total admitted assets at the end of 1929 of \$60,811,870.66 and total liabilities except capital of \$14,495,225.61, leaving a surplus as regards policyholders of \$46,316,645.05. The paid up capital was \$18,777,000.00, so there was a net surplus over paid up capital and all liabilities of \$27,539,645.05. The strength of the company's financial position is apparent.

Editor, Concerning Insurance:

I shall greatly appreciate if you will furnish a report with respect to the Germanic Fire Insurance Co. of New York.

I shall be glad if your report will give me some insight with respect to the reputation of this company for paying fire loss claims; and in general the nature and character of the business conducted by this company in Canada and elsewhere.

Will you please advise me where one can inspect or secure a list of insurance companies underwriting business in Canada, who come under the classification of "tariff companies." Does this Germanic Company come under this head?

—M. E., Toronto, Ont.

Germanic Fire Insurance Company, with head office at New York and Canadian headquarters at Montreal, is a new company, having commenced business on December 15, 1928.

It is, however, regularly licensed to do business in Canada and has a deposit with the Dominion Government of \$100,000 for the protection of Canadian policyholders.

It enjoys a good standing for a new company in regard to methods of doing business and settlement of claims.

At the end of 1929 its total admitted assets were \$2,877,298.74, while its total liabilities except capital amounted to \$798,285.23, showing a surplus as regards policyholders of \$2,079,013.51. The paid up capital was \$1,000,000, so there was a net surplus over paid up capital and all liabilities of \$1,079,013.51.

Its financial position is a sound one, and the company is accordingly safe to insure with.

A list of the tariff fire insurance companies could doubtless be obtained at the office of the Canadian Fire Underwriters Association, Metropolitan Bldg., Toronto. The Germanic Fire is not a tariff company, I am informed.

Editor, Concerning Insurance:

On the 22nd February last you published an article on "All-Risk Form of Fine Arts Policy." I am particularly interested in a Floater Policy to cover my pictures when travelling, also one to cover my stock which remains in Toronto. I feel sure that at the present time I am paying far too much for the protection which I have, and I would be grateful if you will please give me the names of companies who issue this insurance: (1) A Floater policy covering any place in Ontario, Quebec or the Maritime Provinces for fire and theft and (2) A policy for fire and theft covering that portion of my stock remaining in Toronto.

—R. B. J., Toronto, Ont.

These all risks fine arts policies are issued in floater form by companies licensed to transact inland marine or inland transportation insurance.

Such companies are all tariff companies, so far as I know, so that the rates obtainable would not likely be subject to much variation.

Some of the companies from which such cover may be obtained are: Automobile Insurance Co., of which Dale & Co., Metropolitan Bldg., are Toronto agents; Aetna Insurance Co., of which Wood & Kirkpatrick, 15 Toronto St., are Toronto agents; and Western Assurance Company, 22 Wellington St. East, Toronto.

By stating your requirements, you should be able to obtain the desired cover at a satisfactory rate from any one of these companies.

Editor, Concerning Insurance:

In case of war between the United States and Canada, would the Canadian policyholders of the Metropolitan Life Insurance Co. be fully protected.

—O. F. D., Windsor, N.S.

While the possibility of war between the United States and Canada is an extremely remote contingency, it is a fact that if such a catastrophe should ever take place, the Canadian policyholders of the Metropolitan Life would be as amply protected, if not more so, as its United States policyholders, on account of the high ratio of assets in Canada to liabilities in Canada maintained by the company.

At the end of 1929 its total assets in Canada were \$173,778,570, while its total liabilities in this country amounted to \$154,860,418, showing an excess of assets in Canada over liabilities in Canada, including legal reserves and all other liabilities in connection with its Canadian business, of \$18,918,161. Besides \$128,952,838 deposited with the Dominion Government, it has \$31,440,224 vested in Canadian trustees under The Insurance Act; so whatever happens Canadian policyholders are secure.

Editor, Concerning Insurance:

I would be glad for a report on the financial standing of Farmers' Central Mutual Fire Insurance Company, of which the Head Office is at Walkerton, Ontario, and I enclose 36th Annual Report. My reason for asking this is that an insurance on buildings on a farm mortgage in this company is tendered as collateral to the mortgage.

—F. M., Cobourg, Ont.

Farmers' Central Mutual Fire Insurance Co., with head office at Walkerton, Ont., has been in existence since 1894, and as it is in a satisfactory financial position, with a substantial surplus of assets over liabilities, it is safe to insure with for the class of insurance transacted.

It is regularly licensed in Ontario, and Ontario Government figures show that its total assets at the end of 1929 were \$1,168,944.31, made up of: mortgages, bonds, debentures and other securities, \$143,500; real estate, \$5,800; cash, \$5,730.95; instalments of 1929 unpaid, \$699.50; interest due and accrued, \$1,884.91; unassessed premium note capital, \$1,008,328.95. The total liabilities were \$49,306.67, made up of unpaid losses of \$2,464.25 and unearned cash payments of \$46,842.42.

The number of policies in force at the end of the year was 15,610 for a net amount at risk of \$41,220,682. Total receipts in 1929 were \$195,180.05, while the total expenditure was \$194,988.72.

NOTICE TO READERS

Saturday Night's Insurance advice service is for the use of paid-in-advance mail subscribers only. Saturday Night regrets that it cannot answer inquiries from non-subscribers.

Each inquiry must positively be accompanied by the address label attached to the front page of each copy of Saturday Night sent to a regular subscriber, and by a stamped, self-addressed envelope.

Each letter of inquiry should refer to one subject only. If information on more than one subject is desired, the sum of fifty cents must be sent with the letter for each additional question.

Inquiries which do not fulfill the above conditions will not be answered.

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DISTILLERS CORPORATION-SEAGRAMS LIMITED

Montreal, September 29, 1930.

NOTICE is hereby given that the Annual General Meeting of Shareholders of DISTILLERS CORPORATION-SEAGRAMS LIMITED will be held in Salon "B" at the Mount Royal Hotel, Peel Street, Montreal, Que., on Thursday, the Thirtieth day of October, 1930, at 12:00 o'clock noon for the following purposes:

1. To receive the Statement of Accounts and Report of the Directors.
2. To elect Directors.
3. To appoint Auditors.
4. To consider and if deemed advisable sanction and confirm Amending By-Laws passed by the Directors relating to date of Annual Meeting.

and for the transaction of such other business as may properly come before the Meeting.

ALLAN BRONFMAN
Secretary

For Investment NOW

Associated Gas and Electric Company
Gold Debenture Bonds
Due 1968
Yielding over 5½%

Growth of properties in the Associated System

Year	Annual Earnings Gross	Net
1920	\$51,196,269	\$14,972,450
1921	54,391,807	17,609,058
1922	58,899,058	21,091,190
1923	60,680,785	24,987,509
1924	60,679,028	27,533,301
1925	76,901,797	32,497,130
1926	80,554,588	36,574,196
1927	92,009,808	41,074,124
1928	97,497,954	44,191,921
1929	107,235,940	51,259,041
1930*	111,114,817	54,018,474

*Twelve months ended July 31, 1930.

The foregoing includes gross and net earnings of the Associated Gas and Electric Company whose operating subsidiaries produce over 81% of the System's gross operating revenue.

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Trade With Japan Becomes Increasingly Important—Decline Due to Grain Conditions

TRADE relations between Japan and Canada have undergone a remarkable development since the war. The Dominion has done a considerable trade with Japan for a long period, but since the war the balance of the exchanges has greatly altered.

The exports of Canadian products were always below Canadian imports of Japanese goods until 1922, but since that time they have been consistently in excess. In the last fiscal year, though the total volume of trade has declined, this relation has been maintained, and exports have been nearly two-and-a-half times the imports even under these conditions.

There are records of Canadian imports from Japan within three years of Confederation, but exports did not begin apparently till some nine years afterwards. The million dollar mark was reached in imports in the middle of the eighties, but it was not until the year before the war that Canadian exports to Japan went as high as \$1,000,000.

In 1920 at the height of the post-war boom, Canadian imports from Japan were \$13,637,000, while exports of Canadian products were \$7,732,000.

The same relation was maintained in the following year, with a slightly decreased volume; but, in 1922, Canadian exports to Japan rose to \$14,831,000, while Canadian imports of Japanese products were \$8,194,000.

The highest point reached so far in either imports or exports was in the fiscal year 1929, when Canadian exports to Japan were \$42,099,000, compared with imports of \$12,921,000.

The chief articles of commerce between Canada and Japan are wheat among exports and silk among imports. In the last fiscal year for which analysis is available, 1929, wheat accounted for \$20,397,000 out of a total of \$42,099,000; while, among imports, silk was responsible for \$8,145,000 out of a total of \$12,921,000.

In the fiscal year ended in March last, there was a slight falling-off in imports to \$12,537,000, and a considerable decline in exports to \$30,475,000. The latter, however, is more than accounted for by conditions in the grain trade. Exports of Canadian wheat to Japan in the fiscal year just closed were valued at \$8,625,000; while in the previous year, these exports had a value of \$20,397,000.

Are Prices At the Bottom?

Study of Cyclic Movements Since 1890 Indicates That Next Movement Should Be Upward

AFTER a severe decline in the general price level, it may be timely to examine the prospects for commodity prices. It was inevitable that an extremely tight money policy invoked to curb excesses in the stock market should eventually produce results which could not immediately be arrested by a reverse financial policy. It is just as inevitable that a policy of cheap and plentiful money must arrest deflation and reverse the immediate trend. A substantial increase in prices to the level of recent years of comparative stability, if brought about with reasonable despatch, should not however, says the Royal Bank of Canada in its current monthly letter, be regarded as inflation but the corrective for recent deflation.

Current discussion of the financial and business outlook fails to attach due weight to the consequences which will follow upon impending stabilization and subsequent upward move-

the immediate future. Plans and policies made in preparation for future price recessions might be somewhat modified by such a prospect but the theory would have no appreciable bearing upon the desirable volume of inventory during the next twelve months.

If a sharp distinction is drawn between these two component factors in price structure, it will be reasonably obvious that the actual details of daily business practice have always been more directly influenced by changes of the cyclical variety than by those slower changes which are due to the trend of the general price level.

The period from 1892 to 1920 is one which affords a number of good illustrations as to the relative influence of general trend of price level and cycle. Throughout this period there was a consistent upward trend in prices. Within this time interval there were ten price cycles and each successive cyclical peak tended to be exceeded in height by the subsequent peak after an intervening recession. The National Bureau of Economic Research have published a detailed analysis of the price changes during this period in the United States of America. "The Behaviour of Prices" contains an analysis of the price changes of each of the 453 commodities which have been included in the price index of the United States Bureau of Labour Statistics.

It is indicative of the broad general influence of these cyclical changes that the prices of about seventy-five per cent of all these commodities rose and fell in relatively close harmony with the movements of the general index. The prices of some commodities were far more sensitive than others; the percentage rise and fall in some greatly exceeded the percentage change in others; some tended to rise a month or two before there was a change of direction in the general curve, and others responded very slowly but there were only a very few which failed to respond to the general movement.

The length of these cycles varied between thirty and fifty months; the average length was thirty-nine months. The average advance in the price of the individual commodities during the successive periods of revival and prosperity amounted to about 17% of the maximum price obtained at the moment of the succeeding peak and the average decline from these successive peaks amounted to 12%. This cumulative difference between successive increases of 17% and declines of 12% is an indirect measurement of the difference in the general level of prices in 1890 and 1923. It is the factor which may be considered as long-term trend.

It is obvious from these facts that changes in trend take place at such a slow rate that their influence is insignificant in the week-to-week operations of business. The substantial difficulties of the business world are those which are occasioned by the relatively more severe upward and downward movements of the cycle; these movements are too rapid to permit satisfactory adjustment on the part of agriculture, industry and trade.

Judging by the course of events in other apparently similar cycles of the past, and giving due weight to the effect of the present world-wide policy of cheap money, it is reasonable to suppose that the present average of prices has about reached the bottom of the cyclical movement.



THIS IS WORLD'S HIGHEST DAM
Seattle's new municipal dam is no less than 389 feet high, 1,190 feet around the top, 140 feet thick at the bottom, and took three years to build at a cost of \$5,000,000. It will hold 90,000 acre-feet of water which will deliver 225,000 horsepower to the world's largest turbines now under construction. The photo was made during the dedication ceremony. —Wide World Photo.

Banking In The Middle Ages

Religion and Money Lending—The Knights Templar and the First International Bank

IN SO far as banking consists of harboring money or similar forms of convenient, portable wealth, for safe custody, and in so far as it consists in lending wealth either in tangible form or by reliable promise, banking in a greater or lesser degree is almost as old as civilization. An important factor associated with banking is the provision to store wealth for use at some future date, and such endeavor already denotes a certain stage of civilization.

Banking also makes provision for counter-balancing the requirements of those who need wealth for immediate consumption and those who need the wealth for consumption at a later date, and the machinery for a wise balancing of these two simultaneous desires within a community denotes a further advanced stage of civilization, the perfect balance of which has not even yet been reached.

The state of industry, commerce and agriculture in the Middle Ages was one of important transition and development. In those days the people who produced for immediate consumption, or almost immediate use of things for the time for sowing and reaping in agriculture, were considerable. But the number of people who produced wealth for consumption at a distant date or in a distant place was growing, and with the growth of such a system banking grew up as a natural part of it.

From the first, banking was among the litter of nascent capitalism. But, as always, the people of the time, and above all the princes and rulers, were blind to the new system growing up around them. They did not realize that feudalism was coming to an end, nor did they realize the force or the inevitability of capitalism which was taking its place, nor the significance of the foster brother of capitalism,—banking. Thus in the Middle Ages banking was neither understood nor welcomed. Its services were resorted to only as if by exception, due to grave circumstances, and its servants were treated with suspicion when not with intolerance.

The greatest force of governance at the time was the Christian Church. Often in conflict with local princes, in some places subservient to powerful princes, the authority of the Church of medieval times was none the less so widespread and so uniform that it gave to Europe a unit

to which in some respects it has never since reverted.

This ubiquitous authority of the Known World was as blind to the true nature of banking as were its humblest and most illiterate devotees. The ablest authorities of the Church bent all their logic to the condemnation of money lending, and the greatest poet of the age confided usurers to the lowest circle of his Inferno. But neither the casuistry of devout ascetics nor the castigation of immortal verse could stop economic man in his search and in his progress towards material welfare.

To a feudal community where every man had sufficient for the day and where capital in the form of land and ploughshares was for the most part held communally, it seemed incredible that anyone who made use of things should return something in addition which he had never taken in the first place. Indeed, to such people loans were in fact practically never conceived of, since every one was already to some degree, as by custom established, the owner or part owner of anything he took.

If, indeed, people did receive the use of things to which they were not normally entitled, it was because they were sick, or feeble or had for some other reason fallen on bad times. And who would think of exacting reward from the sick or the unfortunate? Interest on capital was almost inconceivable to medieval thought, and when indeed it was thought of it was classified as a subtlety of the devil.

Small wonder then, that trade and commerce was already flourishing while banking was struggling into existence. But its advantages were too apparent for it not to attract traders and governments and, indeed, ecclesiastical bodies. For a long time banned or regarded as indecent by the Christian Church, banking remained in the hands of the Jews, who were not within its moral jurisdiction, nor indeed thought worthy of its salvation.

Like all transactions deemed improper by governments, banking was then carried on at some risk and with scant hope of receiving justice at law, and high charges were therefore inevitable in the first place to cover the risks involved and also as a result of the monopoly into which it was driven. Its profits, however, were eventually sufficiently large to become more convincing than Christian dogma and Gentiles and even

churchmen entered the lucrative profession.

Reference has already been made to the element of unity in medieval Europe despite the contemporary difficulties and dangers of travel. It is not surprising, therefore, that banking very quickly fulfilled its natural international role and early Christian bankers had their branches in several towns of Europe.

Thus William Gade, a worthy subject and not infrequently a creditor of Henry II of England, had business premises in London and at St. Omer in Flanders. In the 13th century the Jews, largely as a result of their money-lending activities, which were viewed by the foolish with horror and by the clever with envy, were expelled from many European towns and countries. Christian merchants, and in particular Northern Italians, were quick to replace the expelled money dealers.

Up to this period, and indeed until much later, banking, such as it was, was largely conducted as private and personal business by those engaged in it. One organization did, however, exist which conducted banking of a kind on a large scale. This was the remarkable holy order of the Poor Knights of Christ and of the Temple, born of the Crusades. Money was deposited by all and sundry who had any, including barons, bishops and kings, into the safe keeping of the Knights Templar whose monasteries or temples were practically fortresses and who themselves offered the double protection of religion and a strong right arm. Moreover, the wealth of the Order was a further guarantee for safe redemption.

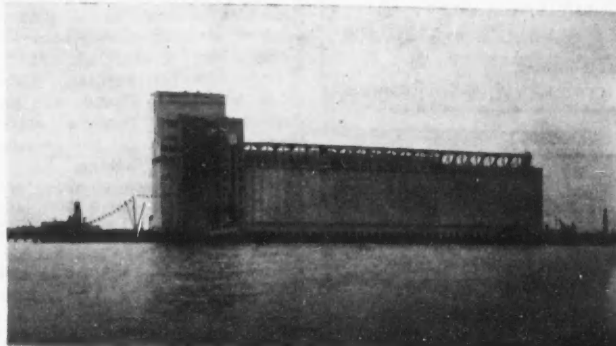
With monasteries all over Europe and with a recognized care in the handling of money, Templars were often made tax-gatherers for governments big and small, and private people entrusted money to them for payment in distant places. This led to the convenient system of depositors' making payments by orders upon the Templars. Meanwhile also, the idea naturally developed among the Templars of lending some of the wealth which flowed into their vaults as occasion arose and when it could be done safely. Private individuals, combinations of merchants and even governments borrowed from the Templars. Banking in all its essentials was therefore practised by the Templars.

The order was dissolved in 1312 and the several governments, whether of princes or ecclesiastics where the temples were situated, took the opportunity of confiscating their immense property. Thus a great system of banking, whose credit bonds were honored from Ireland to Asia Minor was destroyed. Private banking had again to evolve a widespread international organization, and, despite the successful ramifications of family banking, nothing comparable to the great Templar system emerged until man stumbled upon the idea of joint-stock undertakings three centuries later.

Financial Editor, Saturday Night.

I have your favor of the — instant and note what you say regarding the company I wrote you about. Thank you very much for your advice which I will certainly follow.

—D. T. Barrie, Ont.



NEW ELEVATOR IN OPERATION

Built by the Kingston Elevator Company, a subsidiary of Canada Steamship Lines, Ltd., the new 2,500,000 bushel elevator at Kingston, Ont., went into operation on September 28. Photograph shows the S.S. Kindersley unloading 80,000 bushels of rye. The new elevator at Kingston is expected to be of great importance in connection with the opening of the new Welland canal.

—Photo Courtesy Canada Steamship Lines.

High Finance Capitulates

Wall Street Elects Its First Woman Bank Director Who Plans Huge Institution Solely For Women—Will Big Security Holders Prove Good Directors?

WHEN in such an industrial corporation as the greatest of the Standard Oils women stockholders number a majority, when in a railroad company of the pre-eminence of the Pennsylvania more women than men receive the dividends, there is more than piquancy in the question: What woman—anywhere, officially—represents this multitude of investing women?

In politics—against opposing hosts—woman's ballot was won by years of battle. In finance—where voting requisite never has involved sex qualification—the franchise has seemed to mean nothing at all. Is this neglect strange? Well, there's that conundrum rhyme that Dean Swift's cynic chortled:

Where the gain, what the delight
Of prize unactioned by a fight?
Twenty million stockholders are registered on American company books, says Henry Alloway in the Wall Street Journal. Of these it may not be said definitely what proportion are women. However, an idea of the number may be had in the William Z. Ripley surprise exclamation in his epochal work, "Main Street and Wall Street."

For a surprisingly large number of great corporations more than half of the shareholders are women. Henry Clews once uttered the wisdom that women "were hardly ever likely" to reach market capacity; and he cited as unapproachable by anything that woman might achieve, the efficiencies of Jay Gould and James R. Keene "as market manipulators." In caustic agreement to this, Carrie Chapman Catt retorted:

"Mr. Clews' heroes are safe in their exclusiveness. Women will not transgress upon his ideals. Women, on their own initiative, are investors, not gamblers."

That keen repartee brings to mind when first there was concrete evidence that investment by women really was more than myth or a rhetorical flourish; when Charles S. Mellen, as executive head of the New York, New Haven & Hartford system, was coming under attack by propagandists with grudges against leaders in finance. Mellen management was the ostensible target, but the real aim was at J. Pierpont Morgan and William Rockefeller.

Facing bellicose critics at his corporation's annual meeting, Mr. Mellen made this thrust: "Your assaults are upon the investments of the widows and orphans of New England."

Guffaws responded. Why should he choose to try hiding behind dress-skirts, camouflaging with lingerie? Who, till that day, had thought of women as holding important places in corporation stockholder lists? Of course, a few might be enrolled—a few endowed through inheritance, a few by a handful of shares for birthday gift or from Christmas stockings—but the total negligible.

Unstinting satire rewarded Mr. Mellen's statement—till he continued, lifting a manuscript document:

"I have only one warrant for my world. My authority is this—our official stockholders' list. More than 20,000 names are on this roll—and two out of every five of these names are the names of women."

Not to that assembly merely, but to the financial world almost entire this was a revelation complete in its surprise. Wall Street, however, did not take it too much to heart. "Oh, that New Haven example is exceptional—Yankee folks are a peculiar lot, you know," was the attitude.

One railway official of rank commented: "We, also, have women stockholders—school teachers, clerks, and domestic help. Women of fortune are not bothering at buying stocks."

That observation by one whose own company's stock list bore thousands of women's names served to indicate that men of affairs, even those close-up, had little knowledge, indeed scant respectful regard, for the oncoming of such a factor as at that very time was registering, for example, tens of thousands of women as Pennsylvania dividend receivers. Woman's income from that one company five years ago was surpassing \$1,000,000 a month, while (representative of progress showing generally among the standard railways) today more than 99,000 individual dividend checks are being remitted four times a year to Pennsylvania women stockowners. They own shares, worth at recent Stock Exchange quotations \$300,000,000. The 1930 dividends of this one woman investor group in this one railroad rises above \$17,000,000.

In that owners ordinarily do not stay remote from their investments, the absentee-landlord attitude of the host of women stockholders is saliently challenging. One explanation is that they have just not yet come to a realization of their class magnitude.

While inexplicable, the cloister attitude of women investors en masse, all the more challenging are examples of independence and distinctiveness by women individualists of realized influence in the high reaches of finance.

Their business world successes cease to stir wonder, for an industry and in commerce their activities have been revealed as even governing factors. But though heading mercantile enterprises and managing manufactures of magnitude, they are not found in the boards of directors of the great corporations whose se-

co-operators. Beside what is accomplished that which she proposes is majestic.

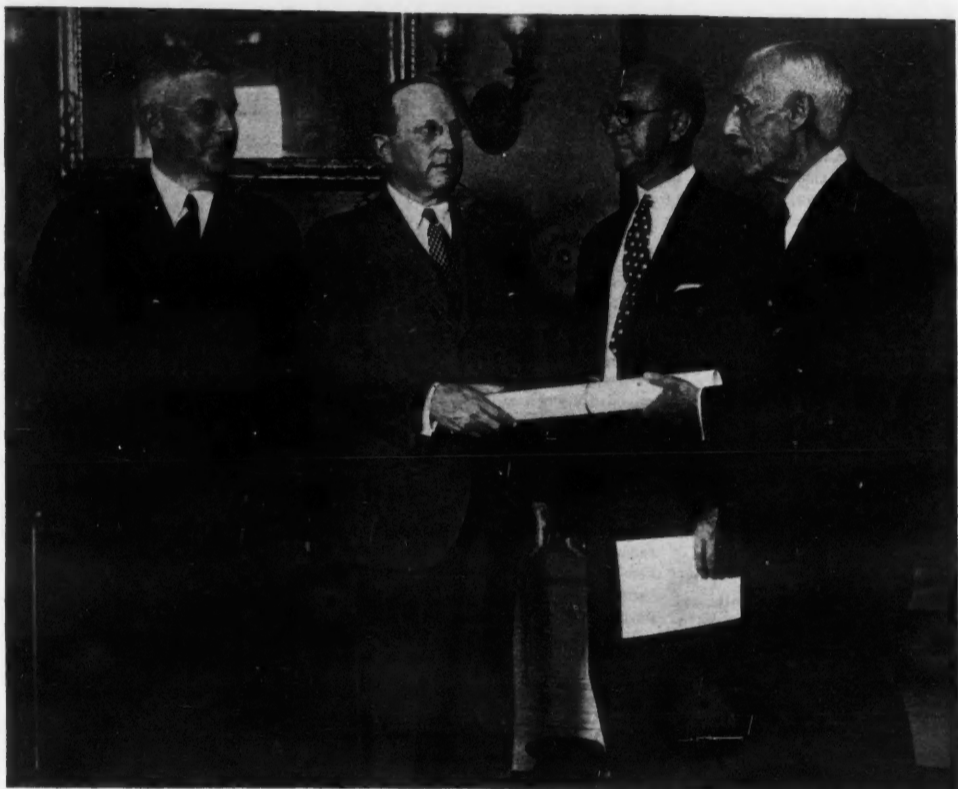
She plans to establish a new great metropolitan bank. It will be in complete literalness a Woman's Bank. Its board of directors and its executives will be women exclusively.

"The aim," as her purpose is quoted by a friend, "is to serve women's welfare, variously, effectively—significantly—to arouse women to the realization of the great opportunities they are now missing in the activities of the world, and to awaken in them an intelligently keen interest in business, in investments, and the provisions and processes of the law—so to protect their own interests, and so to inform themselves in practicalities, that they will have confidence and courage to assume responsibilities and maintain an influential part in the business sphere."

"We are not going to poseurs, to ask the world to consider us wonder objects. We are going to be bankers, practicing banking in the straightest and strictest, the broadest and fullest sense. We shall command resources sufficient to merit consideration in the larger phases of modern business. And as they who are the heads of our historically pre-eminent institutions are running their banks—to meet modern business demands, to perform modern public service, to earn dividends and make surpluses—so, precisely so, we shall run ours."

"Can Woman be prosperously self-reliant? We hope to prove it . . . by what every man extols as 'Results.'"

"Has Woman the capacity to achieve in finance? We hope to prove that . . . by Achievement!"



NEW GOVERNOR OF U. S. FEDERAL RESERVE BOARD TAKES OFFICE

Eugene Meyer, new Governor of the Federal Reserve Board, arrived at Washington to take up his duties. He took the oath of office and received his credentials in the office of Andrew W. Mellon, Secretary of the Treasury. Mr. Meyer, of New York, with the exception of the past year, has been continuously in the Government service since 1917 as manager of the War Finance Corporation and in reorganization of the Farm Loan Board as its chairman. In the group, left to right, are: Roy A. Young, former Governor of the Federal Reserve Board, Mr. Meyer, F. A. Birgefeld, Chief Clerk of the Treasury, and Andrew W. Mellon, Secretary of the Treasury.

—Wide World Photo.

The Retail Credit Problem

Business Mortality Greatly Increased by Lax Methods —Difficulties Steadily Being Solved

A FEW years ago, Dr. Julius Klein,

of the U. S. Department of Commerce, arrived at the startling conclusion that approximately \$7,500,000,000 annually was lost to American business through wasteful methods of distribution. Since that time, partly due to the increased resourcefulness required by post-war transition from a seller's to a buyer's market, much attention has been concentrated upon the many complex problems involved in placing distribution upon a more efficient basis. In particular, searching scrutiny has been directed to the problems of the retailer. Among these, that of credit extension to the consumer is conspicuous. It is a problem which has increased in recent years both as to extent and complexity.

As stated by an experienced credit authority: "Within the last twenty years or so not only has the installment system developed to a degree previously undreamed of, but also open credit has grown from an exclusive to an immensely popular institution. Formerly the customer went to the retailer to ask for credit. Today retailers go to the customer, appealing to him by circulars and newspaper advertising to open a charge account and competing with one another to offer credit features to a degree which in the past was unknown. Credit, once an incidental service, is now offered as a direct inducement to buy. It has become one of the retailer's biggest problems."

The importance of the problem has been emphasized lately, from another point of view, in certain local surveys conducted at Louisville (Kentucky) and elsewhere, with the purpose of determining the causes of the high business mortality among independent grocers.

Loose extension of credit with consequent bad debts, rather than inexperienced or competition, were found by specialists to account for most of the failures. In Louisville it was found that of a number of stores sel-

ected for special study because they were close to bankruptcy, a large part of sales were for credit, and credit losses were abnormally high, averaging nearly 6 per cent. of total sales, over 8 per cent. of credit sales, and in individual cases ranging as high as 33 per cent. of sales. The average loss of successful stores amounted only to 1.6 per cent. of total sales and 2.8 per cent. of credit sales.

The first problem for the retailer is, of course, to decide whether or not he shall grant credit at all, and on this question there has been much controversy.

Credit accounts, it is claimed, automatically keep the merchant's name before his customers, bring clients back into the store, facilitate convenience in buying and increase the store's total sales to a point that ensures decreasing operation costs and increasing net profits. Advocates of the all-cash policy, on the other hand, argue that the value of the increase in sales is more than counterbalanced by the losses from bad debts and the cost of maintaining credit departments, with accounting and collection divisions.

If the retailer decides to favor credit trading, he is faced with the problem of developing a sound credit policy, adapted to the conditions of his individual business in such a way as to avoid the undue expense and dangers of too loose credit extension, on the one hand, and loss of profitable business through too rigid limitation, on the other. How is such a policy to be scientifically determined?

Hitherto, says The Index, published by the New York Trust Company, except for the help of credit bureaus, the retailer has had to rely for guidance almost entirely upon his own experiences, proceeding by trial and error. While a number of valuable limited surveys of credit conditions have been made, there has been a marked absence of comprehensive and reliable information which would pro-



OF FINEST LEATHER..

Only the finest materials are worthy the finest workmanship, and Church's shoes for three generations have represented the best in British shoe making. Church's shoes are particularly popular in Canada. Because of their finer quality, they outwear ordinary shoes and over the months, pay dividends in economy as well as comfort and style. At \$12 to \$13.

CHURCH'S SHOES

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THE ROBERT SIMPSON COMPANY LIMITED

vide guidance based upon the collective experiences of a representative number of retailers, operating under different conditions in all types of trade. As a result, retail distribution in the past has lacked adequate background in the development of its credit policies.

As a first step towards remedying this defect, the U. S. Department of Commerce, in conjunction with the National Retail Credit Association, has completed, this year, a systematic national survey, the first of its kind ever undertaken, which throws much new light upon retail credit conditions throughout that country and should prove of great value in assisting retailers to solve the problems involved.

The survey summarizes for the year 1927 detailed reports from 23,779 retail establishments with total net sales in that year of \$4,746,314,000. As the total value of U. S. retail trade has been variously estimated by different economists to amount to between \$40,000,000,000 and \$50,000,000,000 annually, the adequately representative character of the survey is apparent.

In respect of general conditions, the survey shows that practically every commodity offered through retail stores in the United States today may be purchased either on open credit or installment terms, or both. Of the total sales amounting to \$4,746,314,000 the survey shows that 58.6 per cent. were for cash, 32.2 per cent. on open credit, and 9.2 per cent. on installment credit. With exclusive regard to those stores which did credit business, and eliminating department stores conducted by mail-order houses or chain organizations, it was found that 39.3 per cent. of sales were for cash, 48.6 per cent. on open credit, and 12.1 per cent. on installment credit.

Reference to the general averages on this and other features of the subject, however, must be qualified by observing that one of the most striking facts revealed by the survey is the wide variation of conditions in different trade groups and even within the same group.

Information respecting losses from bad debts is available, in connection with open credit sales, from 10,264

stores and, in connection with installment sales, from 2,681 stores. The average loss from bad debts on open credit sales of all kinds was 0.6 per cent.; on installment sales it was double, or 1.2 per cent. The corresponding losses figured on total sales were 0.3 per cent. and 0.2 per cent. respectively. Compared with the losses found in the Louisville survey mentioned earlier in this article, these figures are surprisingly low and reveal a generally healthy condition.

While, in general, those stores which relied upon credit agencies to make their investigations had lower losses than the stores which made no use of these facilities, in a few instances the position was found to be the reverse. The average loss, for example, on open credit sales of bakery product stores which relied only on credit agencies was 1.1 per cent., while for those which did not use credit bureaus it was 0.8 per cent.

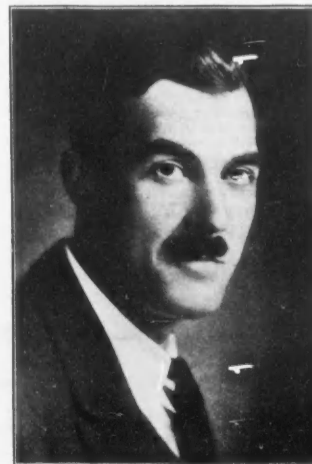
However, the general experience proved that smallest losses were incurred by those who supplemented the use of credit agency facilities with their own investigations. The findings, therefore, in no way detract from the value of credit agencies; but they do emphasize that losses can only be reduced to a minimum where, in addition to making use of a bureau, the retailer takes pains to investigate the standing of his customers for himself.

As was to be expected, the survey reveals that the granting of credit terms is a direct encouragement to customers to return goods for credit or exchange. The high percentage of returns and allowances is, indeed, one of the most remarkable features shown by the survey. Installment credit sales show the highest average ratio in this respect, returns and allowances being 12 per cent. of the total value of sales made on this basis. The corresponding figures for open credit sales and cash transactions were, on the average, 9.9 and 5.2 per cent., respectively.

It is notable that, since the survey was issued, a number of leading Chicago department stores have announced their agreement to drastically curtail the return privileges which their customers have enjoyed for many years; and there is other evidence that the practice, which constitutes a heavy charge against distribution costs, is being reviewed by retailers.

Perhaps the most important consideration of all for the retailer, in determining his credit policy, is the length of time receivables are to be carried on his books.

The cost of extending credit is frequently regarded as being confined to the amount of bad debt losses. In the opinion of many credit authorities, however, the steady burden (that is, the loss of interest on capital tied up, plus the reduced ability to take trade discounts or pay bank loans regularly, with its effect on credit standing) imposed upon the retailer's resources by a high proportion of receivables outstanding for an unduly long period, represents an obstacle much more serious to efficient distribution than bad debt losses.



REPRESENTS ONTARIO C. D. Browne, manager for Canada of C. C. Wakefield & Co., Limited, who is attending the annual meeting of the Canadian Automobile Association in Vancouver on October 2nd and 3rd, as delegate of the Ontario Motor League.

Canadian, With Intensive Background of Experience in sales and Advertising, Available Shortly

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Common Stockholders Take the Risk of Loss

Prominent Utility Executive Shows That Public Utility Holding Companies Should Be Allowed Freedom From Restrictive Legislation In Making Investments

Why holding companies, as owners of common stock in operating utility companies, should be given the incentive to take progressive steps by being allowed freedom of action, is demonstrated by a widely known utility executive.

He makes clear why the risk of loss must be offset by the privilege of profitable investment as a necessary motive force. Regulation of the operating company, with freedom of the holding company is shown to be to the public's best interests. In proof and explanation of this he said:

"A man's resentment at a search of his house is at least as great if he is innocent of wrong-doing as it would be if he were harboring a criminal. If one were required to report his actions to a policeman at every block, his annoyance and protest would not necessarily indicate guilt.

"The fact that the electric industry is 'affected with a public interest' does not alter the situation because the holding company exists within a field completely circumscribed by state regulation. In other words, the interests of the consumer have been taken care of before a cent of revenue accrues to the holding company.

Based on Misconception

"The demand for regulation of electric light and power 'holding' companies seems to be based on a misconception of the electric industry, which in actuality is a thing in action, growing, changing, improving all the time. We have to recognize spirit, motive, incentive, initiative and enterprise as the real driving forces which give life to this industry, as they give life to all human accomplishments.

"By purchasing the common stocks of operating power companies and by continuing ownership of these securities, the holding companies make possible a progressive policy of service extensions and rate reductions.

Little Likelihood of Loss

"If the service is extended into new territories there is little likelihood that either the bondholders or preferred stockholders will be subject to loss. If rates are reduced in the expectation that consumption will thereupon increase, the investment of the bondholders and preferred stockholders is not likely to be jeopardized whether the increased consumption materializes or not.

"In either case it is the common stockholder who risks the possibility of loss. It is the industry's job not only to meet the present demand of present consumers at present prices, but also to increase the uses of electricity, to extend it to an increasing number of consumers, and to make it constantly less expensive.

"These extensions of service, reductions of rates and increases in consumption are the very keynote of the industry's growing usefulness to the nation. How are they accomplished? They are all made possible by the assumption of responsibility by the holders of the

operating companies' common stocks—who in most cases are the public utility investment or 'holding' companies.

Character of Common Stock Ownership

"No element is more important to the progress of the industry than the character of the common stock ownership. The attitude and policy of the holders of the operating companies' common stock determines whether the operating company shall pursue a progressive course or simply stand still and 'let well enough alone.'

"The continuing progress of the industry is largely due to the ownership of the common stocks of operating companies by organizations which are trained and experienced in the utility business, organizations which can take risks because of their diversified investments and their experience in having met similar conditions before; which know the objectives and the method of realizing them.

"If the common stocks of these operating companies were owned by individual investors, the people who generally own the bonds or preferred stocks, they either would not meet such investors' requirements or else a policy of caution would be applied to them, and the extension of the service and reduction of rates would be retarded.

"Since the owners of the common stocks take the responsibility involved in the progressiveness of the operating companies, it is greatly to the interest of the consumer that the common stock ownership rest with such agencies as 'holding' companies.

Feels Incentive Must Be Kept Alive

"The holding company requires, for the successful performance of its function, the same freedom of action as any other business. It is to do the great work it has done in the development of the electric industry in this country to a preeminent position in the whole world. Without it, that development would not have taken place and future development would be materially retarded.

"Regulation of the operating company with freedom of the holding company is to the best interest of the public. The public is thus protected against monopoly, and has the advantage of the initiative and enterprise that financially strong private business brings to institutions where its money is invested." —Wall Street Journal, Aug. 14, 1930

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Fisheries Report Good Year

Both Catch and Value to Fishermen Improve—Trade Depends on Foreign Markets

THE present year has been a good one for the sea fisheries of the Dominion.

Returns for the first six months, published by the Dominion Department of Fisheries, show an increase in both the catch of sea fish and its landed value to the fishermen. The total catch for the six months of the present year was 302,584,000 pounds, which compares with 280,975,000 pounds for the first half of last year. The landed value of the sea catch from January to June of the present year was \$9,501,000, while during the corresponding period of last year it was \$9,371,000.

The value of the fisheries fluctuates considerably, partly owing to differences in the catch and partly to the differences in value. The latest year for which full returns are available is 1928, when the value of the Canadian fisheries was \$55,050,000. This is an increase of approximately 60 per cent. over 1921, but it was exceeded once in the interval. The exceptional year was 1926 when the value was \$58,360,000. One year during the war (1918) saw a greater value at \$60,259,000, but at that time prices were higher than they are at present.

Among individual fish products, says Agricultural and Industrial Progress in Canada, published by the C.P.R., the cod and the salmon long competed for first place. If the record back to the beginning be taken, the cod is the most valuable fishery over the past 20 years. However, salmon has definitely taken the lead, and the heavy pack and high price of lobsters have more than once sent cod down to third

place, as in 1927, while halibut takes fourth place among the chief commercial fishes.

These changes have, of course, affected the relative standing of the provinces, British Columbia now occupying the leading place that in earlier times belonged to Nova Scotia, and producing in recent years nearly half the total value. In 1928, the value of the salmon fisheries was \$17,867,000 and that of the cod \$6,285,000. In that year, British Columbia led all the provinces, with a value of \$26,562,000; while Nova Scotia came second with \$11,681,000.

Although the domestic consumption of fish in Canada is increasing, the trade largely depends upon foreign markets. Perhaps 60 per cent. of the annual capture is an average export. In the fiscal year ended March 31st, 1930, the total exports amounted to \$35,697,000, of which \$14,928,000 went to the United States and \$4,107,000 to the United Kingdom.

The most important single export is canned salmon, followed closely by dry, salted cod. For salmon, the United Kingdom and Europe supply the largest demands while cod goes chiefly to the West Indies and South America. For fresh fish, especially white-fish and lobsters, the United States is the chief market. Exports of salmon for the last fiscal year were valued at \$8,302,000, and those of dried cod at \$4,828,000. Of fresh and frozen fish, exports amounted to \$11,484,000. As a whole, Canada's export trade in fish falls below that of the United Kingdom and Norway alone among all the countries of the world.

Brazil Faces the Inevitable

(Continued from Page 27)

term credit, the advance to be repayable over a period of seven months, the government undertaking to permit an increase in the daily entries into Santos from 30,000 to 40,000 bags daily. The most important point about this arrangement, however, was that it was also announced that the bankers in granting the credit had satisfied themselves that the government of the State of Sao Paulo was working on a comprehensive scheme, to deal with the situation with the view towards facilitating the gradual liquidation of coffee stocks in the interior.

Therefore, as part and parcel of the same operation, the banking group planned for the consummation of the largest credit ever secured through the pledging of a commodity and final negotiations in connection with the American portion of the present "realization" loan, amounting to about \$35,000,000, were concluded around the end of April.

Of the last loan, totaling \$97,330,000, \$8,000,000 was offered in London; \$35,000,000 in New York; \$500,000 each in Amsterdam, Zurich, Milan and Stockholm and the remainder was purchased by the Banco de Estrado de Sao Paulo. This portion of the loan was equivalent to about \$13,665,000.

The plan calls not only for the liquidation of all coffee in the State of Sao Paulo but also prevents such accumulations in the future, which definitely marks the finish of Brazil's hoarding policy. This liquidation is to be done over a 10-year period at the maximum, during which time bonds will be gradually retired. Accumulated unsold coffee in Sao Paulo on July 1 was expected to total 16,500,000 bags, according to estimates made by the government. Of these, 14,000,000 bags were to be financed by proceeds of the bonds as follows: \$21,899,250 was to be applied towards purchase by the government prior to June 1, 1931, of 3,000,000 bags and about \$52,531,000 to be used in refunding existing advances of £1 per bag on 11,000,000 bags. Remainder of the unsold coffee on July 1 was to be financed by advances of £1 sterling per bag with proceeds of the \$13,665,000 of bonds purchased by the Banco de Estrado de Sao Paulo.

Interest on the loan is to be secured by a first charge on receipts from a new tax on all coffee transported from any point within the state of export, initially at 73 cents a bag, and thereafter at rates decreasing as the amount of the outstanding loan is reduced. Receipts from this tax, based on the minimum quantities of coffee agreed to transport to Santos, together with available amounts in the reserve account, are estimated to exceed, in each year, interest requirements on amount of the loan then outstanding.

Unfortunately, Nature, already lavish with her gifts to Brazil, proved too bountiful. As the time for the opening liquidation of unsold coffee stocks in Sao Paulo state warehouses neared, it became apparent to the trade that the surplus coffee to be disposed of would be approximately 4,500,000 bags over the 16,500,000 anticipated. Out of this added surplus, however, it is estimated would come

some 2,000,000 bags of Minas Gerais coffee, which is subject to the transportation tax, but is not eligible for the £1 per bag advance accorded to Sao Paulo grown coffee, and a nominal amount of coffee of grade No. 9. This coffee, according to the loan terms, could not be used for export, the loan term stating that "no coffee inferior to No. 8 Santos is to be exported from the state."

With stocks of 21,210,000 bags under the control of the Sao Paulo Coffee Institute on July 1 (contrasted with 10,448,000 bags on Aug. 1, 1929) the outlook for coffee prices is not optimistic from Brazil's viewpoint. Under the plan connected with the "realization" loan, 1,650,000 bags from stock must be liquidated each year. The extra surplus, not taken care of under the plan might, should the contingency arise, be put on the market with 1,650,000 bags, which would make for higher prices. An alternative would be to hold the excess, applying any proceeds from liquidation of the 1,650,000 bags over and above the loan interest and principal requirements to advances on the remaining coffee. There has even been some talk of burning the extra surplus, but this has been generally discarded as unwarranted.

It is difficult to imagine any appreciable rapid increase in consumption, which established a new high record of 21,628,834 bags in the United States and Europe during the crop year ended June 30. Meanwhile there seems no definite top to production.

Brazil's plight, because of coffee is, like Cuba's on account of sugar, serious. Prices, while slightly above recent lows, due to weather conditions, are below average cost of production. A severe freeze such as those of 1870, 1886, 1902 and 1918, would unquestionably alter the price situation for the better rapidly. But if the official country-wide weather survey shows even moderately favorable growing weather for the current crops, drastically lower prices, possibly approaching the record low point of 3.55 cents, are a distinct possibility.

It now seems clearly evident Brazil is now paying the price for the earlier and temporary successes of its bold valorization schemes. Part of the price has been evident for several years in the sharp decline in exchange rates. The future, to a large extent, will be determined by weather, and by the extent interference with supply and demand is avoided.

THE Dominion is fortunate in that it possesses resources in many types of clay employed in the manufacturing industries. In a list of 35 lines of manufacture in Canada, clay of one type or another appears among the supplies for 24 of them. It is used in large amounts in the making of such materials as cement, paper and textiles. It is even used as a purifier of lard and oils. Its greatest use, however, is in the so-called clay working industries in which over 1,500,000 tons of various types of clay enter into the composition of the products each year. These industries represent an invested capital of over \$30,000,000, and employ almost 5,000 workpeople.

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Capitalization 3,000,000 shares

(One Dollar Par Value)

This property consists of 1,200 acres in the Cadillac gold area, Quebec, about 25 miles directly east of Rouyn. The Pandora-O'Brien break has been traced for approximately two miles on the Pandora.

Several veins have been disclosed, on surface and through diamond drilling. No. 5 and No. 6 are the most important. Widths vary from four to 12 feet. Values range from \$10 to several hundred dollars to the ton. The porphyry dike lying between and paralleling No. 5 and No. 6 veins varies in width to over 100 feet. This is well mineralized throughout and in some places carries as much as \$9 to the ton. A 500 ft. hole is being drilled through this and the main veins. The entire 500 feet of core to be drawn is to be assayed.

Shaft sinking is to be started this fall. First objective not less than 500 feet in depth. The shaft will be large enough to permit the commencement of production at such time as sufficient ore has been developed through the underground development program.

The directors are experienced in the development of new properties—having been engaged in this work for many years. They have been identified with some of the more important gold producers of today. J. W. Morrison, B.Sc.M.E., director and mine-manager of Pandora, managed the Lake Shore Mines in the early days of that concern.

A limited number of shares are being sold at 40 cents per share. This offering is subject to close without notice.

Head Office, New Liskeard, Ont.

How France Trades in Securities

Paris Bourse Holds Potent Place in International Finance—
Calibre of Stocks and Integrity of Brokers is Guaranteed

By Hermann Herskowitz, C.P.A.

Contributing Editor of The Financial Diary

THE history of the commodity, money and stock exchanges of France is replete with governmental regulation and monopolistic grants. This medieval situation developed in the days when commerce and trade were pitting their forces against the noble and clerical land-holding interests. It continued because of the advantages resulting from a single central market. Furthermore, the parcelling out of these restrictive and exclusive rights to favored groups created a ready source of revenue.

The beginning of exchanges can be traced to the year 1138, when the sellers of merchandise and some of the money changers were established in the small fields situated near the Grand Pont. In 1141, Louis VII issued an edict which proclaimed in part as follows:

"We decide that our exchange always henceforth shall be held on the Grand Pont. We forbid exchanges to be transacted in Paris elsewhere than in shops indicated for that purpose on that bridge. For each of them we must receive payment of twenty sous."

No one could exercise the profession of money changer or banker without royal authority.

The brokers stationed themselves in the houses which covered the bridge. Another side of the bridge was reserved for the goldsmiths. The exchange legalized by Louis VII flourished and became known as the "Pont au Change."

The close proximity of the brokers to the goldsmiths led to quarrels. As the disputes became frequent, the Provost of Paris drove the goldsmiths from the bridge, which act was ratified by Parliament in 1332. Later the brokers were in turn expelled but were reinstated after a short delay.

In 1621, the Pont au Change was destroyed by fire. It was rebuilt in 1647 and was provided with a double row of five-story buildings. A small open space called Pointe du Pont au Change was reserved for the money changers.

At a later date difficult to determine, the exchange crossed the bridge and held its sessions in the Cour du May. The brokers subsequently transferred their meeting place to the Royal Park, near the Bastille. This new location was found inconvenient.

They returned to the Cour du May, where they enjoyed a thriving business. This increased activity was made possible by an edict of Louis XIV in 1705 which made compulsory the employment of brokers. This edict created twenty "offices" or memberships and they were given monopolistic privileges.

The center of activities tended to move and when speculation in the East India Company began, the Cour du May was practically abandoned. At about this time, John Law discovered that French finance was in a chaotic condition. He gained permission of the Regent, the Duke of Orleans, to open a bank. He was granted the sole rights of trading in the Mississippi and adjoining territories. Shares were offered to the public and Quincampoix Street became the scene of a speculative

activity hitherto unheard of.

All classes of society participated in this maddening adventure. Fortunes were made and lost in a day. Money was lent by the hour. Houses ordinarily renting for 600 francs were let for 100,000.

Guizot in his "History of France" thus tersely described the intense excitement:

"The street called Quincampoix for a long time past devoted to the operations of the bankers, had become the usual meeting place of the greatest lords as well as of discreet bourgeois. It had been found necessary to close the two ends of the street with gates open from 6 a.m. to 9 p.m.; every house harboured business agents by the hundred; the smallest room was let for its weight in gold. The most modest fortunes became colossal, lacquies of yesterday were millionaires to-morrow."

This wild speculation resulted in the royal authorities issuing orders in 1720, which made it an offence to congregate at that place. During the next few days, the meetings were held in the courtyard of the Bank of India Company. On June 1, 1720, the brokers were again compelled to move and they met in the Place Louis-le-Grand, now the Place Vendôme.

On August 1, 1720, they were moved to the Hotel de Soissons. Around the gardens, 138 wooden booths were constructed. The rental of each booth was 500 francs per month, but the price rose rapidly to 2,500. Sittings were held between 7 a.m. and 7 p.m. during the summer and from 8 a.m. to 5 p.m. during winter. Even that much time seemed too short for some of the traders.

By 1724, the business of stock brokerage had risen to such dignity that the Bourse was legalized. It is interesting at this point to trace the derivation of the word Bourse. The word Bourse originated at Bruges, where according to one authority, merchants gathered at the house of one of their number, known as van der Bourse. Other historians state that the word originated from the three purses (bourses) carved on the gable of the house in which the meetings were held.

The legalization of the Bourse by the Council made definite the organization and rules of the Exchange. A certain number of laws which were then enacted are still in force today such as Article 13, which forbids women access to the Bourse.

In 1726, the Edict of 1705 was repealed. The Council of State made an official distinction between brokers in stocks and in merchandise. In 1786, Louis XVI, repealed that portion of the law of 1724, which granted the right to sixty persons to do the business of stockbrokers without payment to the state. Instead, sixty brokers were appointed for life upon the payment of a sum of money.

The critical financial situation that arose in the early days of the Revolution in 1793, saw the brokers legislated out of office. The Bourse was closed, the stockbrokers were arrested and their goods were confiscated. Two years later the Bourse was opened again and after eight days it was once more closed.

In 1801 the modern Bourse was established and firmly fixed by the legislative work of the Consulate. The laws then enacted required that stockbrokers or Agents de Change, as they are commonly known, be appointed to their public trust by the government.

The number of agents was limited to eighty and the security deposited with the government by each of the agents was 60,000 francs. In 1816, the number was reduced to sixty and the security required was 125,000 francs. The agents secured a great advantage by the enactment of a measure which permitted them to introduce their successors or in other words gave them the right of sale, with consent of the French government.

With the growth of Paris as a financial center, came demands from the brokers, bankers and merchants for the erection of a spacious structure devoted exclusively to the carrying on of brokerage transactions. Napoleon anxious to please them, delegated the great architect Brongniart to furnish the plans.

The first stone was laid on March 24, 1808. It was finished in 1826. At the beginning, the Tribunal de Commerce held its sessions there but later the Bourse was devoted exclusively to dealings in securities.

In 1898, the number of agents was increased from sixty to seventy. This was designed to meet the expansion in business. Enlargement of activity made necessary the construction of additional wings, which was begun in 1902 and completed in 1907.

In the next two decades, the stability and strength of the Bourse were severely tested. The War and the post-war reconstruction period found the Bourse fulfilling its functions as the financial backbone of France. Its aid in the War Loans and the rehabilitation of France was of inestimable value.

Today the Paris Bourse is as firmly entrenched as ever. Admittance to its membership is rigidly and carefully restricted. Membership is limited to French citizens, over 25 years of age and in possession of all civil and political rights. They must show evidence of the necessary military service and come highly recommended by the heads of several banking and commercial firms.

They are nominated by the retiring member of his estate and their ultimate election must be ratified by the Minister of Finance. As the prices of seats are high, members must contribute at least one-fourth of the purchase price of the seat, which in 1914 sold for \$320,000. In addition, \$50,000 must be deposited with the government as a part of the guarantee fund.

While the Agents de Change are placed by law under the disciplinary rule of the Minister of Finance, they themselves as an association choose by ballot a governing board or the Syndical Chamber of eight of their members. This board, together with its chairman, acts as the administrative body. It maintains discipline, watches over all matters concerning the welfare of the body and has full powers in the listing of securities.

The methods of listing securities involve a strict procedure. No foreign government security may be admitted to official quotation without the consent of the French government. The listing of securities is safeguarded by investigating the legality of issue.

One-fourth of the shares is required to be outstanding and fully paid. They must be quoted in their country of origin. The prices together with a list of subscribers must be furnished. The purpose of the issue must be economic. A transfer agent, and in some cases an office must be maintained at Paris by those corporations desiring listing privileges.

The Paris Bourse is notable for the huge amount of government and of foreign securities listed on the market. It has been said to control the credit of forty countries. At the outbreak of the war, more than half of the stocks and bonds in the Bourse were of foreign origin.

A peculiar feature of the Bourse is the absence of two clearly distinct markets. The official market known as the Marche' du Parquet, controls the dealings of first class securities which are admitted by the Official Chamber of Brokers. The Agents de Change have an absolute monopoly in transactions involving these securities.

The other is the free market known as the Marche' en Banque or



HEROIC MARINER HONORED

Dedication of a monument at Margareville, Annapolis County, Nova Scotia, in memory of Captain Clair Baker, Master of the Steamship Ruby L. II, who lost his life in a heroic effort to save the lives of his crew when his vessel foundered off the Nova Scotia coast in a storm last January. The monument was erected by popular subscription by The Halifax Herald and was recently unveiled by the Hon. O. P. Goucher, Minister of Agriculture, representing the Nova Scotia Government. An oration was delivered by Rev. E. Rowlands and personal tribute by Rev. R. Osgood Morse.

Coulisse, where excellent stocks are also dealt in. This market grew up side by side with the Bourse. The restrictive legislation of 1898 against the Coulissiers or curb brokers, caused them to organize into two associations. The first consists of 150 members who must each have a working capital of \$20,000, and where dealings are limited to cash transactions. The second comprises 110 members who deal only in transactions involving settlements at the end of each month. They must each have a capital of \$200,000.

Both markets are held under the same roof. The Coulissiers have a quotation list of their own which is issued under the supervision of a joint committee of the two associations.

Customers must be known by the agents to be financially and morally responsible. When once an introduction is secured and references are verified business is done largely on faith and trust. However, a trading margin or "cover" of about ten per cent. is required.

Members of the Bourse are not permitted to advertise. There is no financial district in Paris. The various banks, main offices, railroads, industrial and financial institutions are scattered throughout the city, connected with the Bourse only by telephone and messengers. Each of the 70 agents is permitted six clerks

authorized to negotiate purchases and sales.

On the floor of the Bourse are also gathered the Parquet and Coulisse intermediaries, the messengers, and clerks. In addition we find the "Remissiers." They are known as "half-commission" men for they are engaged primarily in bringing in business for the brokers. The public is also found there. In France the Bourse is a national market and every Frenchman may personally appear on the floor and overhear his order executed by his broker.

There is no ticker service, but news of importance is posted on the bulletin boards. The market is open from 12:30 to 2:30 except on Sundays and holidays. The Bourse is closed on Saturday from May to October.

To insure the integrity of prices of securities quoted in the cash market, they are entered officially throughout the session. These registers constitute the record of sales. The quotations for the time market are established after the Bourse session. No record of the total daily, monthly and yearly transactions is available for publication.

Orders on the Bourse are given "at best," "at limits," "at opening" and for account transactions "at closing prices." In the case of orders given "at best," the intermediary executes the order in the best interest of his client. In dealing with

orders given "at limits" the intermediary may not sell below or buy above the limit given.

Purchases can be made for cash or on account. The mechanism in cash transactions is simple as payment and delivery of the stocks takes place practically immediately.

Transactions on account are limited to a minimum of 25 or multiples of 25 shares, and to 500 units or multiples of 500 for fixed interest-bearing stocks.

There are two kinds of dealings in the Account Market, firm dealings and option dealings. In the case of firm dealings, settlement takes place at a fixed future date. The parties must either fulfill their engagement upon settlement day or settle their transactions by another operation of an opposite kind, or by carrying over.

In the case of option dealings, the buyer has the privilege of cancelling his operation by paying a certain sum. Upon settlement day, the buyer may cancel his operation by paying the option money. Option dealings cannot be entered into in the Official Market for a period extending over 2 1/2 months. On the unofficial market, option dealings may be extended up to 4, 5 or 6 months or even more.

There are two monthly settlements on the Official Exchange, on the 15th and at the end of the month. Settlements on the Coulisse take place at the end of the month. The methods of dealing in both markets are the same.

Customers are protected in their dealings on the Official Bourse. All securities listed are guaranteed to be bona fide in character. All sums or securities due from Agents de Change will be made good, even in the case of the bankruptcy of a member. Those lending money on securities to any of the members are also safeguarded. This is made possible by a common guarantee fund. This feature in the organization of the Agents de Change is not present in the Coulisse.

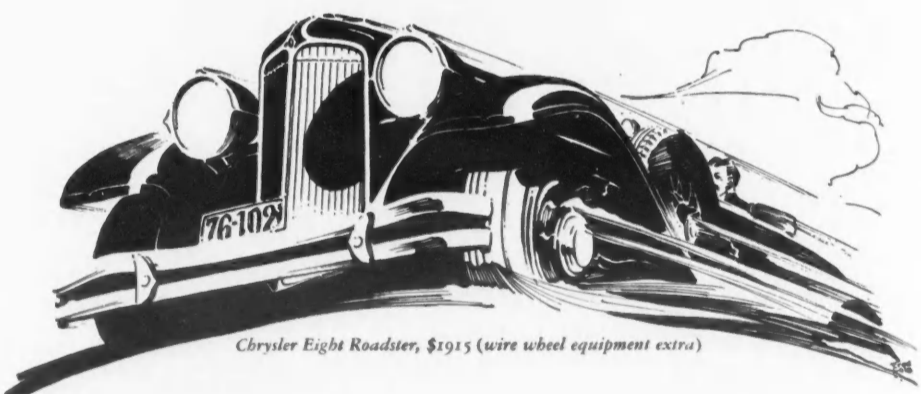
Whenever an agent fails he leaves the exchange a ruined man. The syndical Chamber steps into his place and make a complete investigation. Full restitution is then made. If necessary, the combined resources of the other members of the Bourse can be requisitioned.

The Paris Bourse owes its great financial stability and high credit to the responsible and honorable role that the agents have long played in the history of France. Their functions have been well performed.

An institution that serves must exist.

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BECOMES PRESIDENT

At a recent meeting of the Depositor Company of Canada, E. R. Decary, President of the Title Guarantee and Trust Corporation, was elected to the Presidency of the Depositor Company. Mr. Decary is also a director of the Canadian National Railway.

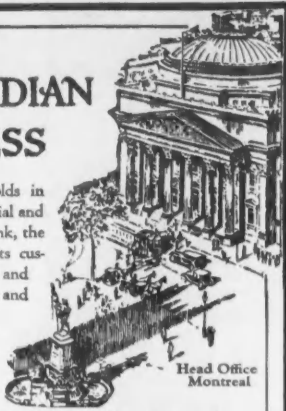
—Photo by "Who's Who in Canada".

FOR WEST INDIAN BUSINESS

THROUGH the interest it holds in Barclays Bank (Dominion, Colonial and Overseas), formerly The Colonial Bank, the Bank of Montreal is able to offer its customers good service, favorable terms and facilities for obtaining accurate credit and other business information concerning individuals and concerns in the West Indies and British Guiana.

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Established 1832
Capital, \$10,000,000 Reserve, \$20,000,000
Total Assets, \$275,000,000



TAKES INDEPENDENT ACTION
Announcement by Lt.-Col. John H. Price, Chairman of the Board of Governors of the Newspaper Institute of Canada and President of Price Brothers, Ltd., of the withdrawal of his company from the institute, has been the most important development in newspaper circles for some time. Col. Price's action was followed by a similar one by Ernest Rossiter, President of St. Lawrence Corporation. The situation has aroused international interest.

—Photo by "Who's Who in Canada".

Gold and Trade Depression

Lack of International Co-operation in Stabilizing Prices Responsible for Present Difficulties

By LEONARD J. REID

Assistant Editor of The Economist, London

THOSE who contemplate the world with its present trade depression, increasing unemployment and disorganized trade, cannot but be impressed by certain apparent paradoxes. Compared with a few years ago the majority of people are poorer, and yet those same millions of people have the same fundamental wants and desires as formerly and they have the same faculties to supply those wants. Indeed, science and invention continually increase their ability to satisfy their wants, and yet, in this year 1930, they are, in some mysterious way, unable to satisfy the same wants and unable to apply the same faculties. Why?

A number of explanations have been forthcoming and many of them no doubt contain an element of truth. A particularly valuable explanation has now been presented to the world in a brief monograph by Sir Henry Strakosch, recently published as a supplement to the London "Economist", which focusses attention on what is undoubtedly a major cause of the present world-wide trade depression.

Since 1926 the general level of wholesale commodity prices, throughout the world, has fallen, at first slowly and then rapidly. For example, the London "Economist" Index of these prices, based on 1913 prices as 100 units, has moved down as follows: In 1926 it was 145.1; in 1927, 141.9; in 1928, 136.5; then came a heavy fall of nearly 10 points by December, 1929, when the index fell to 126.9; followed by a catastrophic fall by May of this year of 11 points down to 115.8. These figures are based on prices of raw materials on the international market and therefore give a reliable picture of price movements throughout the world.

It is popular to say that this fall in prices has been due to overproduction. But that is putting the cart before the horse. Improvement in production, due in part to discoveries and inventions, to normal technical improvement and to financial facilities, has been going on since the steam engine was invented. Increased production was taking place before the war. Various estimates all more or less agree that in the quarter of a century before the war population increased

by about 1% yearly, but production increased by about 3% yearly.

Each year, then, there were more goods produced, but this did not lead to a slump or fall in prices and unsaleable stocks. It is preposterous to suggest that with all sections of the community making more goods they should all become poorer.

Increased production did not lead to a slump between 1900 and 1914; how should it have led to a slump in 1930? It is necessary to look beyond the fact that there are huge unsaleable stocks of commodities to explain the present slump.

In the modern economy money is necessary to effect exchange of goods. The money takes various forms and has certain substitutes ranging from cheques to bills of exchange and "credit", but they are all connected with national currencies, and national currencies are all tied to gold (in the Gold standard countries). Now if there is a scarcity of money—the means of exchange—exchange is hampered. The natural reaction is for people to try and conduct their exchange with less money. That is to say they accept less money for their goods; prices fall.

Prices have fallen because there is a scarcity of currency and credit. But in a Gold Standard world the volume of currency and credit depends on the volume of available gold. Now it has come about that gold is scarce; scarce, that is, in relation to the total goods produced. Gold is scarce because it is being produced at a rate which increases less quickly than other commodities are produced. This situation is aggravated because the bankers of the world are extravagant in their demand for gold, and much of the gold they acquire they do not use to build up an expansion of currency and credit.

A large proportion of the world's gold is unfortunately "sterilised"; it is lying idle in bank vaults. This sterilisation has been particularly operative in the last twelve months. Thus, in 1929 France and America absorbed all the new gold produced by the mines, and also absorbed £110 million of gold from banks of other countries.

Trade and industry—which with increased productivity always need more gold—have actually been deprived of all new gold for the past twelve months. The result has been the disastrous fall in prices. The rapid fall in prices in the last twelve months coincides with the 100% sterilisation of new gold supplies.

Lower prices lead to a hindrance to trade for a number of reasons—material, sociological and psychological. Briefly, trade is hindered because goods produced at high prices are eventually sold for lower prices. This means business losses, cessation of activity and unemployment, with further decreased demand and a further fall in prices.

Taken as a whole those responsible for the operation of the Gold Standard have failed in the international co-operation essential for stabilising the value of gold in relation to other commodities. On their head must fall a large share of the responsibility for the recent fall in wholesale prices which has had a catastrophic repercussion on the economic welfare of the major portion of the world.



JOINS BOARD

Announcement has been made of the election of D. A. Campbell to the Board of Directors of the Sarnia Bridge Company. Mr. Campbell is a director of the Maple Leaf Milling Company and is well-known in milling and financial circles throughout the country.

—Photo by "Who's Who in Canada".

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Province of Ontario Guaranteeing	Maturity	Price	Yield
Hydro-Electric Power Commission. 4½%	1970	102.75	4.60%

PUBLIC UTILITY

British Columbia Power Corp. Ltd. 5½%	1960	102.00	5.37%
Canada Northern Power Corp. Ltd. 5%	1953	95.50	5.35%
Foreign Power Securities Ltd. 6%	1949	101.00	5.90%
Montreal Island Power Company 5½%	1957	100.50	5.45%
Northwestern Utilities Limited 7%	1938	104.00	6.35%
Power Corporation of Canada Ltd. 4½%	1959	92.50	5.00%

INDUSTRIAL

Dryden Paper Company Limited 6%	1949	97.25	6.25%
Eastern Dairies Limited 6%	1949	102.00	5.83%
Inter City Western Bakeries Ltd. 6½%	1950	100.00	6.50%
McCull-Fontenac Oil Co. Ltd. 6%	1949	100.00	6.00%
J. R. Moodie Company Limited 6%	1948	100.00	6.00%
Queen's Hotel Limited 6%	1947	97.50	6.25%

PREFERRED STOCKS

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Foreign Power Securities Corp. 6%	88.00	6.82%
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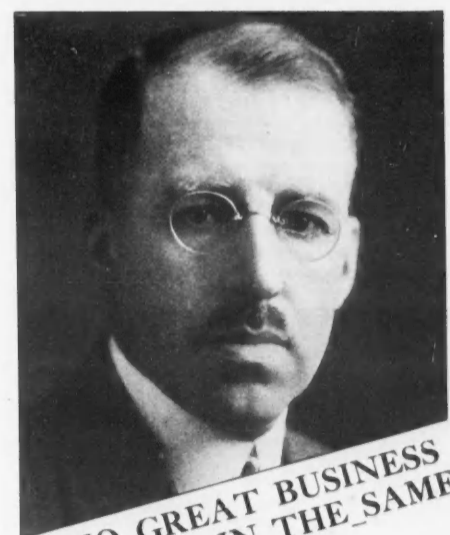
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